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policy REVIEW

Spring 1986 Number 36 Four Dollars

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New buzzword, old philosophy

The "mixed economy," that marriage of public and private enterprise so widely hailed in the 1960s, has lost some of its pizzazz these days. The buzzword of the '80s is privatization, and it's firing the imagination of countries the world over—capitalist, Socialist and Communist alike.

In Europe, for example, the British government has sold more than a dozen state-owned companies—some of the giants of its aerospace, communications, energy, tourism and trucking industries—and shifted more than 400,000 workers from public to private payrolls. Similar moves are taking place in France, Germany, Italy, Spain and Sweden.

In Asia, Japan is divesting the government railway, airline and telephone systems. South Korea is selling off banks and heavy industry. Less developed nations like Bangladesh and Pakistan are returning nationalized jute, textile, rice and flour mills to their former owners.

The economic momentum has even spread to the Communist world. The Cuban government is selling state-owned houses to tenants. More than 10 million self-employed capitalists operate restaurants, street stalls, repair shops and other small enterprises in China. And in rural areas, farmers are prospering by selling surplus produce in the cities, and keeping the proceeds. Entrepreneurs in Hungary bid for the right to run their own businesses, and the system is catching on in other Eastern European nations.

Why the interest in privatization? Mostly because it works. Especially in the Communist lands, the privatization process has tended to raise the standard of living.

Not surprisingly, privatization is becoming popular in America, too. Prompted by the need to cut the deficit, the Reagan administration is seeking to cut costs by turning over to private operators such traditional loss leaders as Amtrak and the Federal Housing Administration, which insures private mortgages. Other possible initiatives: selling airport landing slots to individual carriers, for example, or letting private companies sort and deliver first-class mail.

Actually, in this country municipal governments have gotten the jump on the feds—contracting out for everything from hospital care to airport management. The town of La Mirada, California, has been one of the leaders, using the private sector for almost all key services—including police and fire protection, social welfare and public works. Phoenix, Arizona, has saved millions of dollars by having its municipal agencies bid against outside companies for city contracts. A money-losing teaching hospital that the city of Louisville, Kentucky, turned over to a private company in 1983 is not only making money now but also providing better patient care.

Privatization, in short, has meant more efficiency and lower costs—and, usually, better service. And if it involves the sale of an asset, the government gets a whopping one-time capital gain as well. So why has privatization been so long in coming? Fact is, it's been around for some time. Privatization is just a modern-day buzzword for an old, old philosophy. Adam Smith called it the free market. We call it a pretty good deal all around.

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My Plan To Balance The Budget

Lower Tax Rates, Monetary Reform, and $30 Billion in Spending Cuts

Representative Jack Kemp

Ronald Reagan and forward-looking conservative activists called for a "new beginning" in 1980, and we've exceeded our expectations. Tax rates have been lowered, 10 million new jobs have been created in private enterprise without new inflation, the redistribute-the-wealth, no-growth philosophy of the 1970s has been buried, unemployment has dropped, and inflation has fallen. Much remains to be done, but once again democratic capitalism is on the offense.

Thanks to the economic climate we've helped put into place, we now see an end to government deficit spending and subsidies as a way of life for Washington. After years of forecasting $200 billion deficits "as far as the eye can see," government forecasters project that the deficit will fall to about $100 billion by 1991 as a result of continued economic growth and lower interest rates.

But that's not good enough. The only real way to balance the budget is to move our economy to full employment without inflation through: a modernized gold standard that maintains the value of money and lowers long-term interest rates; a genuine flat tax plan to lower tax rates on capital and labor; and vigorous restraint in government spending and elimination of subsidies. My strategy for a balanced budget, therefore, centers on monetary and international trade reform, further tax rate reductions, free enterprise zones in all areas of high unemployment, privatization efforts, and spending cuts.

But the agenda is even broader. To restore a free and productive society, we must continue to decentralize government power while generating strong economic growth and higher incomes for all Americans.

We must revive the spirit and scope of individual action, family, and community, while steadily transferring power and resources back to the people themselves and to the free market.

The Gramm-Rudman-Hollings targets are a good idea if they force Congress to cut domestic spending. But the only way we can reach the targets is by generating strong non-inflationary economic growth. At four percent growth, revenues rising at eight percent yearly, and interest rates falling, the deficit comes down to about 1.7 percent of GNP in 1991. With thoughtful and prudent cuts we can balance the budget in 1990 or 1991 without raising taxes or gutting our defense budget.

We must remember that the U.S. economy is way under its potential. Over eight and a half million Americans are unemployed, fixed capital utilization is stuck at only 80 percent of plant capacity, and interest rates are artificially high. We can dramatically reduce deficits simply by growing faster, producing more, and putting people back to work. We need more entrepreneurial capitalism in our cities and rural areas.

Tax rate reductions and enterprise zones are indispensable parts of any strategy to create millions of new jobs and bring industry to full output. Tax rates at current incentive-crushing levels depress economic activity by diverting activity towards tax sheltering, tax dodges, and the underground economy. This year, we must aim for a top rate no higher than 35 percent. In the future, our goal should be a flat tax modified for low incomes, and tax rates limited to no higher than 25 percent and preferably closer to the Hall-Rabushka tax plan at 19 percent or 20 percent. Even a one percent decline in the unemployment rate, as a result of these initiatives, would reduce the 1991 deficit by $63 billion, according to the Congressional Budget Office.

Gold Standard by 1988

Second, artificially high interest rates are at the heart of the problem. The lack of a stable and secure long-term standard of value is keeping interest rates excessively high. We should re-establish a "price rule" instead of a quantity rule by first targeting a basket of commodity prices, as new Federal Reserve Board director Wayne Angell suggests, and then adopt a true gold standard by 1988.

The supply of money would then be determined not by any isolated agency of govenment but by the market, just like any other commodity, created when it was needed and taken out of circulation when it wasn't. The huge fluctuations in international exchange rates would be eliminated by a return to stable exchange rates.

Interest rates would drop to a level more in line with

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My Plan To Balance The Budget

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historical levels of around six percent as confidence increased in long-term price stability. Interest costs of servicing the national debt also would fall. A two percentage point decline in interest rates from current forecasts would reduce the 1991 deficit by $50 billion.

Education is primarily a responsibility of state and local governments.

Could you imagine the impact five percent or six percent interest rates would have on the housing market, the construction industry, the automobile industry, the farming sector, and the investment sectors? It also would have a favorable impact on our trade position and on Third World debtor nations' finances. Lower interest rates and stable commodity prices also would have prevented the $15 billion or more increases in farm deficiency payments that have occurred since 1980.

Government spending must also be restrained and indeed cut where subsidies are concerned. Despite President Reagan's efforts, the budget continues to grow far faster than inflation. Government spending is up by over $355 billion since 1980, an increase of over 60 percent. Today, government expenditures are 23 percent of GNP, down from the recession high of 25 percent of GNP, but above the 1964-1979 average of 20.5 percent. Some recommend tax increases. But today revenues are roughly at the 1964-1979 average of 18.8 percent of GNP. This suggests to me that government spending is a chief cause of the deficits, not undertaxation of the American people.

Democrats have tried to embarrass President Reagan by recalling how Republicans consistently urged balanced budgets in the 1970s. But they conveniently forget that Republicans always have focused on deficit spending, pinpointing government overspending as a source of growing deficits and economic ills. These Democratic "born again" budget balancers want to balance revenues up to current expenditures so they can then increase spending even more. I say let's balance expenditures down to current revenues to that people can keep more of their own money.

More than $30 billion in immediate budget reductions are possible in such areas as business subsidies, payments to the well-off, government interventionist "development" programs, outdated energy subsidies, and government research and development projects. Privatization initiatives can save billions of dollars, and improve the quality of services. Grace Commission savings should be implemented where it is obvious that they have been overlooked.

These are but some of the reforms we should consider, and I offer them for discussion, not with the intention of suggesting they can't be modified or expanded, nor that this is the last word in budgeting, but with the hope that these ideas can provide perspective and hope to the cause of individual freedom and economy in government.

Combined with pro-growth and lower interest rate proposals, the following initiatives will eliminate the deficit, empower some of the poorest sectors of our nation, and create the opportunity society as envisioned by Thomas Jefferson, Abraham Lincoln, Theodore Roosevelt, and Ronald Reagan.

Major Program Reforms and Program Savings

Mobilizing the poor through welfare reform: I don't have to tell anyone that if inner cities came alive with fresh opportunity, we could begin to break that welfare dependency, unemployment, and despair which is at the root of so much of government social spending.

Minorities and the poor have special problems for which we need special answers and solutions. But the answer is not a permanent welfare state, but jobs, job training, and new opportunities for entrepreneurs in our inner cities. We must make new efforts to bring the poor into the economy by abolishing income taxation of the poor, by creating new incentives for stable and intact families, by passing enterprise zones, and by privatizing public housing projects to give tenants new pride of ownership in a market economy.

Under the Judeo-Christian ethic, we need a safety net under which the poor and disadvantaged shall not fall, but we also need more attention paid to an opportunity ladder upon which all can climb. This would not just save money, it would begin to give poor sectors of our society new hope, stability, greater security, and access to the American dream.

Program savings: uncertain.

Transit: We should allow more competitors into all transportation areas and move towards a system where all methods of transportation compete on as fair a playing field as possible. The long-term goal should be a fully privatized transportation system. The federal government should not be subsidizing transportation modes, except where strong national interests are at stake, such as interstate highways.

We should eliminate federal operating subsidies to mass transit, except for cities experiencing financial strain ($750 million). Both Amtrak ($700 million) and Conrail ($1.2 billion) could be run more efficiently if they were transferred to the private sector.

Over the years, the federal government has financed the construction of locally oriented highways. Instead, it should focus its funds on the two most nationally oriented road systems (the Interstate and Primary systems). Substantial savings ($1.2 billion) could be achieved by gradually limiting federal assistance to its original emphasis on intercity arteries.

Program savings: $3.850 billion

Energy: A free market for energy is the only reliable way to assure adequate energy supply and more exploration and development of new energy sources. Government efforts to subsidize energy sources are typically counterproductive and wasteful, as with the Synthetic Fuels Corporation, which wasted billions of dollars on uneconomic subsidies to major oil companies.

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Therefore, price controls should be eliminated on natural gas, as they were by President Reagan on oil. All government subsidies and loan guarantees to commercial energy companies or energy research should be eliminated or phased out ($800 million).

We should place a moratorium on the Strategic Petroleum Reserve ($1.7 billion). We are far less dependent on Arab OPEC sources than we were in the 1970s, and the Strategic Petroleum Reserve now contains sufficient oil to replace more than one year of imports from Arab OPEC sources.

Program savings: $2.5 billion.

Education: Education is primarily a responsibility of state and local governments; therefore, primary and secondary schools should be financed largely at the local level with state assistance. In special cases, such as handicapped and compensatory education, the federal government should help. Tuition tax credits should be given serious consideration as a competitive free market means to promote quality education, equal opportunity, and educational diversity. We must reject the zero sum approach of some who say that public education must suffer in order to encourage pluralism. We need both.

Program savings: uncertain.

Business subsidies: There is no good reason for government to subsidize large corporations. The essence of a free market is fair and open competition with no special favors, privileges, or subsidies to any business. Therefore, the Export-Import bank direct loan program ($1.4 billion) should be eliminated because it funnels export subsidies to a handful of the nation's largest corporations. The Small Business Administration's direct loan and loan guarantee program ($1.9 billion) benefits a tiny fraction of the small business community, and its elimination has been sought by many small business associations.

The worthy functions of the U.S. Travel and Tourism Board ($11 million) can be carried on by the tourist industry itself. The postal industry's revenue-foregone subsidy ($500 million) should be slowly phased out, except for the blind, educational groups, charity efforts, and non-profit organizations.

Many government research and development programs that strictly benefit only corporations should also be eliminated ($590 million), except in areas critical to national security. Typically, government-sponsored commercial research benefits big business, at the expense of the taxpayer, and competes with small business research efforts that receive no subsidy.

Government can best encourage research and development by lowering tax rates on all labor and capital, thereby creating more incentives for strong economic growth, entrepreneurship, and new business formation. A government industrial policy would be counterproductive to a prosperous free market economy.

Program savings: $4.401 billion.

Community and local development programs: The best means to spur development in local communities is by lowering interest rates, improving incentives, and creating a healthy economy for all. Enterprise zones are a genuine private sector jobs program for those pockets of distress and poverty in our inner cities and rural communities. By comparison, government development funds do not add to national investment or job creation, they simply reshuffle money to politically-favored projects.

There is no good reason for government to subsidize large corporations. The essence of a free market is fair and open competition with no special favors, privileges, or subsidies to any business.

Therefore, revenue sharing ($2 billion) and the Economic Development Administration ($80 million) should be retargeted to distressed areas. Simply said, the federal government has no excess revenue to share with prosperous cities. Urban Development Action Grants ($200 million) and the Appalachian Regional Commission ($80 million) can be eliminated. These funds have gone for ski resorts, wave-making machines, a pyramid, swimming pools, and ice rinks, among other boondoggles. Everyone can and should share in lower interest rates and faster economic growth, not just a few commercial developers.

Possible savings (on- and off-budget): $2.330 billion.

Farm programs: The federal government has responsibility to provide a safety net for distressed farmers in this period of deflation and farm belt distress. But farm income and price support programs are not long-term solutions. These programs have encouraged farmers to increase production by hiking farm prices artificially and then to reduce production by paying farmers not to produce certain crops. Tragically, American farmers have been priced out of export markets. And most aid has not gone to small farmers, but to huge agribusinesses.

The underlying solution to the chaotic and contradictory array of farm programs is lower interest rates, stable commodity prices, and more stable land prices. Monetary reform along the lines I am recommending would create the sort of long-term price stability that would dramatically lower interest rates and arrest the collapse in commodity and land prices.

Stopping the commodity deflation automatically would save at least $10 billion to $15 billion in farm income and price supports. Under a monetary "price rule," like Lew Lehrman and I have recommended, widespread farm and farm bank bankruptcies would come to an end and the family farm could be saved.

Program savings: $10 billion.

Privatization: The notion of privatization also holds potential to improve a whole range of services while lessening the burden of government. Government should not be monopolizing services which the private sector economy and entrepreneur are perfectly capable of providing.

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Some ideas that should be considered carefully include privatizing Amtrak, Conrail, a portion of the government's loan portfolio ($1.7 billion), government-owned airports ($2.3 billion), asset sales ($462 million), and unneeded petroleum reserves ($1 billion).

But we can go further. The Heritage Foundation, the Grace Commission, Citizens for a Sound Economy, and others have taken the lead in making many innovative recommendations for the greater use of outside contracting, vouchers, and user fees, as well as moving whole functions of government into the private sector.

I do not favor cutting Social Security cost-of-living adjustments because retired Americans have come to rely on Congress's promise of an inflation-proof pension.

I am particularly intrigued by the idea of expanding Individual Retirement Accounts to enhance the ability of people to meet their needs for quality health care and long-term catastrophic illnesses, higher education, the purchase of first homes, and more secure retirement plans. Housing vouchers can serve more needy people at a lower cost than new construction of low-income housing ($2.0 billion), with exceptions only for handicapped housing, Indian housing, and other programs that fulfill special needs.

A privatization strategy is the most likely to succeed politically because it reduces the demand for government spending by bolstering the ability of individuals and families to provide for themselves in more satisfactory and efficient ways, without destroying the safety net under which the poor and less fortunate must not be allowed to fall.

Possible savings: $7.462 billion.

The Reasons for Federalism

Assistance should be delivered by those groups which are most familiar with the need and most likely to respond in a compassionate and caring manner. The principle of "subsidiarity," as explained by Michael Novak and others, suggests that we must rely first on the lowest level of association, the one closest to the people and their communities, for aid and assistance, advancing to larger, more organized groups and higher levels of government as appropriate. When the resources of the family, private sector, church, and local charitable institutions have been exhausted, then the need should be met by the state and lastly by the federal government.

The federal government should be the last refuge because it is unavoidably bureaucratic, inflexible, and least sensitive to individual needs. It is furthest from the people themselves and least accessible to their preferences and needs. By comparison, people feel a natural bond of association to local and community groups.

We must devise a strategy to strengthen and restore local support structures, stimulate self-help and individual initiative, eliminate barriers to the growth and progress of intact families, and create thriving and compassionate communities. A beginning would be to fold migrant health, family planning, black lung, community services, community development, wastewater treatment, pollution control, juvenile justice, primary care, and other programs into block grants, as we have done successfully in other areas. Millions of dollars can be saved by eliminating program duplication, streamlining administration, and cutting paperwork.

Possible savings: uncertain.

Welfare: Many welfare programs should be decentralized and defederalized to levels closer to the people and communities, along with the tax resources to finance those expenditures. This democratic reform would also assure greater incentive to get expenses under control. But workfare and vocational and handicapped education can and should be strongly encouraged by the federal government.

Possible savings: uncertain.

New Initiatives

Social Security: Social Security should be taken off-budget since it is financed by its own trust fund and revenue source. The trust fund's integrity and financial soundness must continue to be a top priority, to protect the retired American and the young, now and in the future. I do not favor cutting Social Security cost-of-living adjustments because retired Americans have come to rely on Congress's promise of an inflation-proof pension. If benefits were cut, the elderly would have no means of making up the shortfall.

National defense: This is no place to set out a comprehensive defense policy, but a first duty of government is to protect the nation's security and freedom; and that means a commitment not just to test and research, but to develop rapidly and deploy President Reagan's strategic defense shield against nuclear weapons.

National defense funding must be based, not on the deficit, but on the nature and extent of the threat. That means no let-up or underfunding of our strategic and conventional modernization program. We should also be helping freedom fighters, and using our diplomacy and material support, including military aid, to aid the cause and extension of freedom and democracy throughout the world. We must ask the isolationists: why not victory against tyranny, Communism, and poverty?

A supply-side foreign policy: Instead of promoting statist solutions to foreign economic problems, we should be spreading our ideas of democracy and free market entrepreneurship to our allies and Third World nations. International organizations like the International Monetary Fund and the World Bank have imposed austerity and high taxes on troubled nations. Instead, we should be recommending tax rate reductions, privatization, lower government spending, stable currencies, entrepreneurial capitalism, and more liberal policies for world trade.

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The total savings possible in all these areas roughly total $30 billion for FY 1987 and a multiple of that amount in future years. And these ideas are just the start of our debate over the future. Combined with interest rate savings and continued growth, this level of domestic savings would lead to a balanced budget by 1990 or 1991, without gutting the defense modernization effort or raising taxes.

Clearly, the work is just beginning to give a new burst of freedom to our country, to get spending and government under control, to renew the values of individual dignity, self-reliance, and the sanctity of human life, and to create a true American renaissance of spiritual, political, and economic dimensions.

A revitalized America will help secure the blessings of liberty and a free economic order to all people both in the United States and abroad. It will not usurp the responsibilities and energies of the individual, family, or society, but help foster the happiness, prosperity, and true welfare of our people by devising prudent, intelligent laws and by promoting equal opportunity for all to reach their God-given potential.

President Reagan expressed what I believe is the American idea when he said that "there are no limits to the progress of a free and just society except those we ourselves impose." Under the Reagan Administration, the American idea has been reborn. We are once again building our nation not from the top down, but from the people up. Now it is up to us to enlarge President Reagan's vision in a new direction for America, advanced here and abroad, not just for some but for all.

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PROTECTING OUR CITIZENS

When to Use Force Against Terrorists

REPRESENTATIVE JIM COURTER

Twenty-three Americans died in terrorist attacks abroad last year, and another 160 were wounded. From the murderous and elaborate theater that Nabih Berri and his associates staged around the TWA jetliner in Beirut, to the bombings which killed servicemen in Greece and West Germany, to the use of an automatic weapon on invalid Leon Klinghoffer traveling on the *Achille Lauro*, terrorists have treated American lives and honor with contempt. And yet, apart from the use of fighter aircraft to capture the *Achille Lauro* pirates, the United States has done remarkably little to secure justice for the wrongs done to its citizens. Americans have been hearing for a long time about "the war against terrorism," but thus far the war has been one-sided, and it is not the terrorists who are losing.

There have been no known attempts to rescue the six Americans still held hostage in Lebanon. Nor have there been any known measures taken against Iran, which last had possession of the Shiites who murdered William Stanford and Charles Hegna in December 1984 on a Kuwaiti airliner at Teheran. The killers of Navy petty officer Robert Stethem have been identified by the State Department, but have since been reported to be at large in Beirut. Very recently, one of them was allowed to pass through France untouched.

Neither Abu Nidal nor his Libyan and Syrian patrons have paid any price for their submachine gun and grenade attacks on defenseless travelers in the Rome and Vienna airports in December. Instead, the new year began with the Sixth Fleet maneuvering uselessly off the coast of Libya, as Colonel Qaddafi poured scorn on the White House. The naval exercises may not have intimidated Qaddafi, but they can be presumed to have reinforced his megalomania.

Thomas Jefferson dealt differently with the Mediterranean pirates of his day. "An insult unpunished is the parent of others," he said. Jefferson overturned the George Washington/John Adams policy of paying protection money to the Barbary pirates who preyed upon commerce from bases in Morocco, Algiers, Tunis, and Tripoli. In lieu of further payment, he sent our six-ship Navy under Stephen Decatur's command to the Mediterranean. The fleet bombarded the pirates' bases and the military installations of their governmental sponsors and blockaded their coasts, eventually forcing their submission. Decatur came home with guarantees of something which tradition and all codes of international law promised but could not by themselves preserve: the freedom of trading ships to move on the high seas.

"History is full of such episodes," wrote Yale's Sterling Professor of Law Eugene Rostow in 1980 after critics questioned the legality of our attempt to rescue diplomats imprisoned in our Teheran embassy. The cases demonstrate both the responsibility of a state to prevent its territory from being used as a base for international crimes, and the right of a victimized state to redress such crimes by force if other means fail. A simple reprisal is acceptable where it is "discriminate"—no more dangerous than necessary to innocent parties—and "proportionate," which means punitive but no more so than necessary. Natural moral law, traditional international law, and even the more delicate rules of the United Nations Charter all guarantee the right to self-defense, particularly against the transnational movements of armed bands.

As one terrorist atrocity follows another, it has not been law which has prevented measured and forcible American reaction. Our hand has been stayed by political reservations and by moral and psychological inhibitions. The Reagan Administration's policy—that force is both justifiable and necessary—has been argued clearly and repeatedly since 1981. But time after time, we have vented our anger and sheathed our sword.

We have made ourselves experts at explaining why not acting is almost always the more satisfactory course. We think of the danger a rescue mission poses to the hostages and of the dangers military reprisal presents to innocent bystanders. We echo each other's remarks about not furthering "the spiral of violence." We persuade each other that retaliation would mean Libyan or Iranian terrorism in American streets. We read of the concern any action would be certain to raise in the capitals of friendly coun-

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tries or even in capitals of unfriendly countries like Syria, which already has a place on our list of identified governmental sponsors of terrorism. And if all these reasons do not stop us from punishing terrorists and their patrons, then we come to discover that, after all, visiting justice on a religious or political zealot is counterproductive because it would only gratify his longing for martyrdom.

Meanwhile, we have been overlooking the remarkable number of counterterrorism success stories in the past two decades. Time and time again, hostages have been rescued unharmed by the swift and skillful use of force. Time and time again, decisive action has destroyed terrorists' headquarters or camps and thus impaired their military capabilities or deterred them from using terrorist tactics. The option of the use of force, while not always necessary, must always be available. Contingency planning for a rescue mission or military retaliation or both should begin from the very hour in which Americans are taken hostage or killed abroad. There is no need for us to be paralyzed: history gives ample evidence that international terrorism can be impeded by countermeasures that are skillful and swift.

Rescue Missions

Delta Force, the U.S. Army's team of counterterrorism specialists, is regrettably best known for failing to take enough helicopters to the desert staging ground outside Teheran in 1980. When three of the eight helicopters developed mechanical problems, the mission to rescue the 52 Americans had to be aborted. But Delta should also be remembered for other, more successful missions.

In March 1981, for example, the unit was asked for assistance when Islamic fundamentalists of the "Kommando Jihad," or Holy War Command, seized an Indonesian DC-10 airliner with about 50 passengers. As the plane rested on an airstrip in Bangkok, Thailand, Delta Force sent an anti-terrorist team with specialized equipment to advise and assist the Indonesian commandos. The Indonesians then stormed and liberated the airplane, killing three terrorists and mortally wounding a fourth.

Delta's advice was sought again in July 1984 when a Venezuelan DC-9 with 79 aboard was skyjacked by a Dominican national and a former Haitian army captain. The Venezuelan government defied the terrorists' demands, and the airplane made a series of short hops around the Caribbean, settling in Curacao. A clever airport technician crept to the plane and let the air out of its front tires and removed several electrical fuses. Eventually, 12 American-coached Venezuelan commandos armed with Uzi submachine guns approached the plane from two directions. As a hijacker panicked and threw gasoline into the aisles, they stormed the aircraft and killed both gunmen. There was no injury to any of the hostages.

Israel has successfully prevented the hijacking of its passenger liners. One El Al jet was commandeered in 1968 by the Popular Front for the Liberation of Palestine (P.F.L.P). Never again. Israel put undercover sky marshals on selected flights, reinforced cargo holds to nullify the effect of baggage bombs, and reportedly installed devices under jet wings which can alter and misdirect the flight of incoming missiles. When two Arabs tried to seize an El Al jet in 1970 on its flight from Amsterdam to New York, one of them was shot dead by a marshal while the other was handed over to authorities when the plane landed in London. Palestinian terrorists lost their interest in flying with El Al. The Israelis also have a fine record of recapturing other nations' airliners for them. Disguised as ground attendants, one team liberated a Belgian plane at Ben Gurion Airport in 1972, killing two members of Wadi Haddad's P.F.L.P. team and saving 97 passengers. Another squad retook a Sabena Airlines plane held by Black Septembrists that same year.

Egypt was one of the countries to study the Israeli lessons. In 1976, gunmen in the pay of Libya made the mistake of skyjacking an Egyptian Boeing 737 en route from Cairo to Luxor. As the government's negotiators stalled the gunmen with false news of a technical problem that would delay lift-off from Luxor, the army was working with information provided by several released hostages to develop a plan. Crack Egyptian paratroopers dressed as technicians were put aboard to perform the "necessary repairs." Working slowly, they talked themselves into the terrorists' confidence and their eventual request for spare parts and tools was granted. When these arrived, the "technicians" suddenly opened battle with the iron tools, battering several hijackers in prolonged hand-to-hand combat. A second team rushed in with effective automatic weapons fire. Every terrorist ended up in the hospital while every one of the 101 passengers and crew—Arab, French, West German, and Japanese—escaped harm.

In 1977, Palestinian gunmen hijacked a Lufthansa flight to Mogadishu, Somalia, where they threatened to kill the 90 hostages unless Baader-Meinhof terrorists were released from a West German prison, and a $9 million ransom was paid. As Somalian government negotiators bought time, a team from West Germany's GSG-9 team, commanded by Lieutenant Colonel Ulrich Wegener, flew in from Crete and made an unobserved night landing. With blackened faces, dark clothes, and special soft shoes that allowed them to creep unnoticed along the wings of the plane, they placed their explosives. A ruse was employed to get all the terrorists to go forward to the cabin momentarily, and the starboard doors and several rear windows were then blown off. The GSG-9 team rushed in and gunned down all four terrorists. No one else was hurt. Leaders of the Baader-Meinhof gang committed suicide in their German prison cells when they heard of the counterassault. The raid at Mogadishu proved to be the psychological and political end of their movement.

The team at Mogadishu was assisted by specialists from Europe's most celebrated counterinsurgency professionals, the British Special Air Service (S.A.S.). The S.A.S. carries on a small exchange program with Delta Force, and has helped the Dutch Royal Marines, who put an end to South Moluccan terrorism in their country in the 1970s by successfully storming a train, an embassy, a school building, and other enclosures where hostages had been seized. Initiated to carry out commando raids against Rommel's forces in North Africa in World War II, the S.A.S. then focused on counterinsurgency and counterterrorism work in Indonesia, Malaya, and South Yemen. Today, rescuing hostages is one of its specialties. So formidable is its reputation that

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UPI/Bettmann Newsphotos

WANTED: Yasir Arafat for ordering the killing of Cleo Noel; Abu Nidal, for the hijacking of an Egypt Air plane last November; Abu Abbas, for the murder of Leon Klinghoffer.

the reported presence of plainclothes marksmen from the regiment was said to have persuaded four Irish Republican Army terrorists to surrender after holding a building on Balcombe Street in London in 1975.

An S.A.S. contingent attached to the Special Branch of London's Metropolitan Police went on alert on the afternoon of April 30, 1980, when dissident Iranians stormed their own embassy in London and seized 26 hostages. Armed with a submachine gun, a machine pistol, Browning automatic pistols, and hand grenades, the Khomeini opponents from the Arab province of Khuzestan separated the hostages by sex and held them in two rooms on the third floor of the elegant five-story building. Such dispersal of hostages makes rescue considerably more difficult, which is why the tactic has become commonplace in more recent years.

London's police specialists had outlasted and out-talked and outwitted many hostage-takers before, and remained confident during the six-day siege. They kept the terrorists on one telephone and passed everything they learned by another to the S.A.S. The regiment was busy with blueprints of the building, their contingency planning, and certain limited movements on the embassy site itself. The gunmen began to sense their presence, and the government was still resisting their demand for an airplane to Baghdad. Terrorist leader Sami Mohammed Ali lost his patience. "The time for talking is past," he announced into the telephone as he gunned down a hostage. He pushed the body out the door and warned that another would die every half hour. "Knowing someone had been killed, things had to change," said John Dellow, deputy assistant commissioner of the Metropolitan Police.

"What followed took just 11 minutes," *The Times* of London later reported. S.A.S. teams descended from the roof of the embassy using a high speed drop along ropes which they had anchored earlier to the jump-off point. They carried "frame charges" four feet long and two feet wide, specially packed with plastique, which they placed around the perimeters of the heavily reinforced windows. Through the blown apertures came stun grenades, an S.A.S. invention which produces a flash and a roar that momentarily immobilizes terrorists and hostages alike. Then the S.A.S., wearing helmet gear and built-in radios, came through and rushed upstairs, killing one gunman in the hallway and the others in the rooms with the hostages. Then some searched the rest of the embassy while others formed a human chain and virtually hurled the hostages one by one down the staircases and out of the burning building. With faces still hooded—now against the eager electronic eyes of the press—the S.A.S. troops boarded their waiting helicopters and disappeared.

The motto of the Special Air Service is "Who Dares, Wins."

Retaliation

The United States helped impose a Palestine Liberation Organization contingent on Tunisia as part of the deal it brokered in 1982 to evacuate Palestinians loyal to Yasir Arafat from Beirut and scatter them throughout the Mediterranean. The elderly President Bourguiba did his best to

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alleviate his new problem by not permitting P.L.O. members to wander far from their camp and not permitting them to take their weapons with them when they did. But while he would later make reference to their "combatant" status, Bourguiba did not try to inhibit their foreign operations. He must have known very well what they were.

Tel Aviv knew as well. Force 17, Arafat's elite personal guard, was increasingly assuming an external role. Several crimes inside Israel were credited to them, and boatloads of Force 17 guerrillas were apprehended twice approaching the Israeli coast in August 1985. Israeli Defense Minister Yitzhak Rabin charged that they were launched from Algeria on the orders of the Tunis headquarters, and told simply "to kill as many Jews as they can." Rabin made his statement in early September; a few days later, Force 17 seems to have sent three terrorists to murder Israeli tourists moored off Cyprus in a yacht. Many of these events were boasted of by captured Force 17 members and confirmed by American and British intelligence. The P.L.O. denied everything.

On October 1, 1985, two weeks after the Cyprus killings, Israeli jets left home for Arafat's headquarters just outside the Tunisian capital. Carrying the radar-jamming and deflecting equipment that proved so successful against Syria in 1982 and refueled in the air by Boeing 707 tankers, they approached the compound in two waves. First came F-15s, carrying laser designators to mark the P.L.O. headquarters building. Then came F-16s, which dropped American-built, laser-guided bombs that honed in on laser beams reflected off the designators. The phrase "surgical strike" has seldom been more appropriate. According to the *Washington Post,* the raid "damaged or destroyed buildings used by Force 17 . . . while leaving others in the complex untouched." Of the 70 or so killed, all were P.L.O. except for a dozen Tunisian policemen.

In an age of highly accurate weapons, including precision-guided munitions, Americans have clung stubbornly to the view that bombing is almost by definition indiscriminate. In part, this is due to our endless war in Vietnam, where we dropped staggering amounts of ordnance with remarkably little effect. But the Vietnam War was also a proving ground for new radio- and laser-guided munitions that can be used with pinpoint accuracy and minimum risk to civilians. The U.S. Air Force flew about 800 sorties against the Thanh Hoa bridge near Hanoi between 1965 and 1967 and lost 30 to 40 aircraft. But in May 1972, the first four Phantoms to be sent in with laser bombs hit the bridge. In June 1972, using 15 laser-guided 2,000-pound bombs, the U.S. Air Force destroyed the generating capacity of the Lang Chi dam, northwest of Hanoi, without destroying the dam itself—thereby preventing a flooding of the Red River valley that would have endangered civilians.

These and other more sophisticated weapons can be employed, as they were at Tunis, to ensure that reprisals against terrorist encampments or military and economic targets are exact and undamaging to civilians.

Not all Israeli raids have been as "clean" as that at Tunis. But the Israeli Defense Force history includes many such strikes in which the damage is devastatingly effective but limited to military targets. Late this January, after the attacks in Vienna and Rome by Abu Nidal's Libyan- and Syrian-supported Palestinians, and after a Syrian-supported Fatah faction led by Abu Musa claimed credit for the Sunday bombing of a Jerusalem pizzeria, Israel decided upon action against an Abu Musa outpost at the Ain el Hilweh refugee camp in southern Lebanon, long a shelter for Palestinian gunmen. As first light broke on the morning of January 29, a flight of Israeli war planes swept over the

It took the British Special Air Service just 11 minutes to rescue hostages from the Iranian embassy in London in 1980.

Lebanese border and struck at a selected cluster of three houses outside the camp. Though surrounded by sandbags and twin-barrelled anti-aircraft gun emplacements, all three buildings were destroyed by strafing and 50-pound fragmentation bombs.

Israel's pilots returned safely to their bases and reported accurate hits on the one-story center of Abu Musa's group, a smaller building occupied by Ahmed Jibril's Popular Front for the Liberation of Palestine—General Command, and a two-story possession of another guerrilla group. The operation was over so swiftly that the Palestinians were unable even to remove the covers from their anti-aircraft guns. The refugees nearby were untouched.

The psychological effects of such an accurate raid are extraordinary. It must have been particularly hard on Abu Musa: 18 months before, in August 1984, Israeli jets had hit his bases with precision attacks in East Lebanon's Bekaa Valley, home to 5,000 anti-Arafat Palestinian guerrillas, and the departure point for frequent raids into Israel. One pair of Israeli bombers destroyed several buildings at Mejd el Anjar, a guerrilla base just south of the Beirut-Damascus highway. Abu Musa would admit to losing only four of his fighters, but about 100 people were buried in the rubble of a three-story building which Israel said served as his security and intelligence office. If the pursuit of Abu Musa has not yet resulted in his death, it has seriously disrupted his military operations. Many terrorist commanders remember the Israeli air attacks as "the worst part of their careers," wrote veteran Middle East reporter John Laffin, "because the Israeli planes 'always seemed to know where to find us.'"

American cases of retaliation are rare. One involved a combined rescue/retaliation action directed by President Gerald Ford in 1975 when Cambodian Communists seized the American cargo ship *Mayaguez* off the Cambodian coast. The U.S. Navy counterassault was swift, somewhat clumsy, and successful: all 40 captives were rescued. The President was much criticized by those who would guard us against any trace of "adventurism" and by others who judge a rescue mission not by its punitive and deterrent

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effect or by the retrieval of hostages but by body counts of the American soldiers who try to bring them back. Interviewed by Hugh Sidey five years after giving the orders for action, Mr. Ford had a short answer for his critics: "There was never a repeat while I was President."

The case of the *Mayaguez* illustrated how necessary our military alliances and overseas bases are to rescue missions. Reconnaissance aircraft were dispatched from Utapao Airfield in Thailand. The *U.S.S. Coral Sea* carrier group was redirected toward the area, as were other U.S. ships of war. The Joint Chiefs of Staff needed a landing party and ordered an Okinawa-based Marine battalion to Utapao. Two other Marine platoons would be brought in from Cubi Point in the Philippines.

The captured *Mayaguez* had been anchored near Kaoh Tang Island, and the movement of small boats to and from the ship suggested to intelligence that the 40-member crew had been transferred to land. (Intelligence, as it happens, was wrong.) Late in the fourth day, following a meeting of the National Security Council, the Joint Chiefs of Staff ordered that Kaoh Tang Island be attacked and the empty *Mayaguez* reboarded and towed to sea. Airstrikes hit the Cambodian airfield at Ream, heavily damaging the installations and the airstrip. The 180 Marines in the helicopter-borne landing parties nonetheless took barrages of automatic weapons from the ground. Of the eight helicopters in the first wave, three crashed and two were disabled. Claymore mines on the beach also took their toll. Other landings placed hundreds of other troops ashore, some on nearby Tang Island where they engaged 150 Cambodians. If the fighting was bloody, it was also brief: three hours after the assault commenced, a fishing boat with mostly Caucasians on board was reported to be approaching Kaoh Tang Island flying a white flag.

The incident has a number of parallels with the Grenada operation of 1983. Both combined rescue and assault missions. Both successfully used overwhelming force on a small enemy-held island, but proved costly in men and machines. In both, there were lethal accidents. In Grenada, a skiff full of equipment-laden Navy SEALS overturned in unexpectedly heavy surf as a helicopter towed it towards the shore of the eastern side of the island. In Thailand, as helicopters landed at a U.S. base with Cambodia-bound Marines, one chopper crashed, costing 23 lives. The Cambodian operation used three arms of the military services: Navy, Marines, and Air Force. The Grenada mission used the Navy, Marines, Army personnel, and special forces.

President Ford had been told to expect to lose between 10 to 40 men in the *Mayaguez* mission. Fifteen died in action, and the 23 others in the shattered helicopter in Thailand must also be counted as losses. Another 51 servicemen and officers were wounded, and a three-man machine gun crew disappeared in action. Two cryptic entries in the records of the debriefing of the *Mayaguez* crew would have satisfied Commander-in-Chief Ford, however. According to one of these, the *Mayaguez* captain "convinced Cambodians that he could get U.S. forces to stop bombing/strafing if ship and crew released." The other is the last: "Ship's captain states that Cambodian fear of airstrike and prompt U.S. force response were the primary causes for release of the ship and its crew."

What Works, and What Doesn't

Certainly there are cases in which force has been used badly. Last November, 59 hostages of an Egypt Air plane hijacked to Malta by followers of Abu Nidal were killed during a rescue attempt by the Egyptian counterterrorist squad Sa'iqa. A rescue attempt was necessary, because the terrorists had begun executing passengers. But action is not of itself enough. Neither planning nor skill were in evidence. French counterterrorism expert Paul Barril, who helped the Saudis recapture the Great Mosque of Mecca from heavily armed Sunnis in 1979, has criticized Sa'iqa for using no sophisticated equipment, such as spike microphones, which can locate each of the terrorists with some precision inside the plane, or incapacitating gas, or the stun grenades which had rooted out the terrorists in the catacombs beneath the Great Mosque. No deception was attempted to provide the element of surprise.

Maltese authorities were also to blame. Available American experts were kept confined to their quarters by the Maltese; they were not even allowed to communicate with Sa'iqa's commanding officer. Barril notes further that the Maltese authorities' refusal to allow refueling of the plane cost Sa'iqa its best chance to approach and gather intelligence. The rule in hostage situations is not to refuse to negotiate but to buy time by appearing to negotiate.

Sa'iqa commenced its operation with an attempt to blow an aperture in the plane, but used too much explosive and set the aircraft on fire. Then, unforgivably, it killed innocents after passengers and terrorists began rushing from the burning plane. Counterterrorist forces are trained at instantaneous distinction between those with guns and those without. Firing without certainty is the worst mistake. Sa'iqa had no reason to fire into knots of escaping passengers and terrorists when the police presumably had the airport cordoned off.

Disaster in Colombia followed the one in Malta, and the reasons for it were similar. After three dozen M-19 Communist guerrillas seized the Palace of Justice and a number of judges on November 6, the Colombian army stormed and recaptured the building. The result was some 100 deaths and only three dozen of the dead were guerrillas. So bad was the carnage that the 12 rescued justices boycotted the memorial service that President Betancur held for their 11 colleagues and the other innocents.

The operation discredited the use of force, an option to which a democratic society like Colombia must have recourse when faced with drug traffickers and Communist terrorists. Given the strategy by which terrorists and their sympathizers operate, lethal overreaction by the victimized government is of more propaganda value to them than a successful act of terror. Terrorists wish above all to discredit the power and the legitimacy of the government in the eyes of their audience, the people.

Time was on the side of the Colombian officials at Bogota and they threw it away. Until the terrorists began killing (and they apparently had not) waiting was appropriate, just as it was at the Iranian embassy in London in 1980. Instead, President Betancur waited two days—more than enough for the terrorists to organize their defenses but not enough for them to be worn down by the siege—and then the army was sent in with much bravado and no apparent

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This attack by Arab commandos at Rome Airport in December 1985 cost 13 lives. Fifty others were wounded.

plan. Soldiers simply rammed an armored personnel carrier through the front door. The ensuing firefight raged for two days inside the block-long, three-story building. Some of that time seems to have been used by the guerrillas to execute at least six of the 11 justices who died.

The M-19 guerrillas who took the Palace of Justice were reportedly led by five Cuban-trained members of Nicaragua's Directorate of Special Operations. At a safehouse outside the capital, they had built a scale model of the targeted building and trained with it for three weeks. They maintained regular coded communication with Cuba and Nicaragua, which supplied half the arms they took to the Palace. Such opponents cannot be surprised—or prevented from shooting their captives—by the appearance of an armored personnel carrier at the front door. But even two army fire teams, introduced into the building by stealth, or given satchel charges and placed on the roof by helicopter at the moment the ground assault began, would have diverted the besieged, compromising their freedom to concentrate their fire on army personnel on the ground.

When to Use Force

Malta and Bogota are cases in which force was used ineptly. Sometimes force ought not be used at all. This is most likely when hostages are taken on a country's own soil and the government possesses complete control over the environment. Police and political officials can permit or limit the terrorists' movement, allow or prevent visitors, withhold or grant food and communication.

The New York City police department has a splendid record of outlasting and out-talking nonpolitical hostage-takers. "We bore them to death," one officer has said. Although ideological zealots differ from emotional cases, sometimes they, too, can be exhausted or tricked into submission. There may also be times in which terrible danger can be averted or scores of hostages rescued by giving into the demands or granting terrorists their escape. In such cases, it is important to make sure that punishment or reprisal take place afterward.

Everything that was done wrong at Malta and Bogota was done right at Entebbe. Even after a decade, that operation by the General Intelligence and Reconnaissance Unit 269 of the Israeli Defense Force remains the model of the three elements of success in rescue missions: surprise, speed, and skill.

On June 28, 1976, Air France flight 139 en route to Tel Aviv was skyjacked by Palestinian and German terrorists and flown to Entebbe, Uganda. By the morning of July 1, a fullscale mock-up of Entebbe's Old Terminal had been built from blueprints (obtained from the building's Israeli architect) and from tourists' vague photographs. The commando force was assembled and commenced rehearsals under the stopwatch. One hour before midnight on July 3, the first of four C-130s touched down after a 2,200 mile flight, exactly 30 seconds behind schedule. The planes disgorged armored personnel carriers, jeeps, other vehicles, and several hundred men. They killed the terrorists, recaptured the hostages and put them on a plane for home,

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machine-gunned the Ugandan MIG fighters at the airstrip, refueled, reloaded, and disappeared into the skies, all in an hour and a half. The Israelis called it "Operation Thunderbolt," and Ugandans in the ministries and army barracks at Kampala understood what they meant.

Without surprise, the lives of hostages and counter-attackers alike are in the gravest danger. The terrorists may fire on their captives; this happened at Entebbe and London, though in most cases terrorists naturally turn upon their attackers. Operating at night has often proven a good way to gain surprise. Guards are least alert then, and although the commandos are on unfamiliar ground, they enjoy the advantages of moving out of darkness and toward lit interiors. Where they attack in dark interiors, infrared-sensitive night vision goggles can provide an advantage in a firefight. The rescues at Entebbe and Mogadishu occurred at night and a dozen others were planned for or took place in darkness. By contrast, some of the most celebrated disasters—the attempt to stop Black September's escape with Israeli hostages at Furstenfeldbruck Airport outside Munich in 1972, Larnacav on Cyprus in 1978 where Sa'iqa botched a rescue attempt, and the Malta disaster of last year—took place in the full light of day. The best opportunity for Delta Force to rescue the TWA 847 passengers last June may have been stymied by Algerian authorities, who kept on the brilliant lights at Algiers airport while the plane was held there overnight between trips to Beirut.

Arriving at Entebbe at night was not of itself enough to gain surprise. Elaborate plans were necessary to fool the Ugandan radar systems and the Entebbe air traffic controllers. In addition, putting a C-130 Hercules transport aircraft down on an airstrip unseen may be possible, but putting it down quietly is a challenge. William Stevenson has described how the first of the four transports cut its speed to a mere 100 miles per hour and then cut it again to 75. To the soldiers strapped inside, the landing airplane "seemed to fall out of the air with a shriek of twisted metal and protesting turbines," but outside "an observer would have seen the craft slide almost soundlessly onto the runway, the underinflated tires uttering a soft squeal."

Enemy troops on the ground presented another problem. An Israeli paratroop major assigned to get his men from the first plane to the distant Old Terminal building (where the hostages were) solved the problem of surprising the expected sentries only in the last hours before boarding. He realized that the Ugandan dictator Idi Amin always traveled in a black Mercedes, and had been visiting the airport regularly to see his P.F.L.P. friends and "console" the hostages. The major requisitioned a Mercedes, but the only one available was white; it went into the Hercules with a new wet coat of black paint. The deception worked perfectly. Outside the Old Terminal, Ugandans who would have fired upon an unidentified column of jeeps snapped to attention when it was led by a black Mercedes, and the commandos inside cut them down with silencer-equipped pistols. The addition of surprise to the customary swiftness and skill of Israeli military operations made the Entebbe rescue a masterstroke. It broke a most dangerous circle of political criminals from Palestine and West Germany and saved the hundred persons they had victimized.

What Can Be Done

The President and Secretary of State Shultz have propounded a reasonable, moral, and convincing doctrine of the use of force against terrorism. Calling for the use of preemption, punitive retaliation, and other acts which go to the sources of terrorism, this doctrine is said to have been codified by National Security Directive 138 in April 1984. The doctrine has often been invoked but rarely applied. Given the fact that Americans continue to be the leading targets of international terrorism and that such acts of terrorism continue to rise, it is necessary for the United States to undertake a more aggressive counterterrorist role. While it must be to others to choose the methods and tools of action, the following suggestions indicate the breadth of the American options.

The United States should make immediate and effective use of international arrest warrants for known terrorists, both those shielded from extradition by foreign governments and those beyond the control of their own poorly governed states. The Terrorist Protection Act, recently passed unanimously by the Senate, would lower domestic legal barriers that inhibit American agents from seizing those who kill Americans for political reasons abroad and allow them to be brought to trial under American law.

Bounties may be useful supplements to American efforts to arrest and prosecute known killers. The Department of Justice has offered a bounty of $250,000 for the killers of Charles Hegna and William Stanford on a hijacked Kuwaiti airliner on December 4, 1984 at Teheran airport. It has offered $500,000 for Hasan Izz-Al-din and Mohammad Hamadei, the Hezbollah members who murdered Robert Stethem on the TWA plane last summer. While there is no good moral or political reason to turn over to bounty hunters the counterterrorism work we should do ourselves, bounties may nonetheless be of use in cases in which American agents are simply unable to locate the killer.

There will, of course, be objections. Israel's clever kidnapping-for-trial of Adolf Eichmann from Argentina 25 years ago produced a roar of international protest in spite of the distinct unpopularity of Nazi mass murderers. We must expect the objections, as surely as President Reagan expected Mubarak's unhappiness about the *Achille Lauro* force-down. We should turn them against the government from which they come: if requests for extradition go unheeded, the snatch that follows should be accompanied by wide dissemination of details of the government's refusal to help seize an international terrorist, and by full listings of the charges against the accused.

Ambassador Charles Lichenstein, formerly with our United Nations mission, is among those examining ways of bringing formal charges against Yasir Arafat, who is alleged to have given orders over a shortwave radio to kill Cleo Noel, American ambassador to the Sudan in 1973. Carlo Mastelloni, a magistrate at Venice, has already issued a warrant for Arafat's arrest (in September 1984) on charges of weapons smuggling to the Italian Red Brigade via the Mediterranean. And a justice in a court in Genoa, from whence the *Achille Lauro* sailed, has issued a warrant for Abu Abbas on charges of piracy and the murder of Leon Klinghoffer.

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Another candidate for arrest or reprisal may be Hussein Mussawi, a Lebanese militant and an organizer of Hezbollah, the sponsors of the TWA hijacking. Mussawi operates primarily from West Beirut, Baalbek, and southern Lebanon. He has been identified as the probable draftsman, with Iran's Minister of Islamic Guidance, Seyed Muhammed Khatami, of a 200-page plan drawn up in May 1984 for the formation of terrorist strike forces. Mussawi reportedly sits as part of the secret council of Islamic Jihad, or "Holy War," which meets in the Iranian Embassy in Damascus. Apart from holding our six American hostages, Islamic Jihad claims credit for the bombing of the Marine barracks, as well as that of the U.S. Embassy in Beirut in April 1983. The Departments of Justice and State might also take a hard look at the chief of Syrian military intelligence in Lebanon, Colonel Ghazi Kanaan, to whom terrorism expert Arnaud de Borchgrave ascribes "the key supervisory role for Shiite extremists in Lebanon. [He] functions as President Assad's pro-consul in a country Syria regards as its own. Colonel Kanaan has worked closely with the K.G.B. in Syria and in Lebanon."

Kamaran Island, South Yemen's northernmost possession in the Red Sea, may be an example of the kind of hard target available to American planners, should they be directed by the President to retaliate for the killings of Americans by the P.L.O. In early 1985, Kamaran Island was reported to be a new site for pro-Arafat P.L.O. activities. The 70-square-mile island was leased to him and military construction and the lengthening of an airstrip were underway. P.L.O. pilots were expected from other Middle Eastern bases. If U.S. intelligence had confidence in such a report, Kamaran Island could have been deemed a reasonable target for a bombing raid following pro-Arafat P.L.O. atrocities. The danger to South Yemeni citizens would have been minimal.

Any number of Iranian, Syrian, or Libyan terrorist training camps suggest themselves as potential targets when retaliation is appropriate. The State Department says it knows of some 15 camps in Libya. Instructors are Syrian, East German, Palestinian, and Cuban. Some 7,000 young men and women from all over the world train there. Many of the camps are on or near the Mediterranean coast and are vulnerable to airstrikes and covert or overt operations from the sea. These include Res al Hilal west of Tobruk, the "April 17th" camp near Benghazi, and a cluster of others around Tripoli.

If action against a country like Iran is necessary, according to the Naval War College's chairman of strategy, Alvin Bernstein, the best targets would be those outside the country which would not endanger Americans carrying out the reprisal. Arms-carrying ships essential to the Ayatollah's war effort against Iraq are one such target; naval patrol boats are another.

We should also start thinking about using political alliances, political leverage, and financial and covert operations against state sponsors of terrorists who kill Americans. Every dictator has vulnerabilities. Arafat faces enemies within the P.L.O. Syria's Assad is a member of an Alawite minority in a largely Sunni country. Egypt might give quiet support to U.S. operations against Libya, which has repeatedly engaged in cross-border terrorism and assassination attempts against Egyptian officials. Terrorist atrocities sponsored by Iran could be answered by overt, publicized increments of military aid to Iraq.

A Closing Word

If the first five years of the present decade have demonstrated anything, it is that closer international cooperation by victimized states, better intelligence gathering, and diplomatic and economic sanctions can all help control terrorism, but that each fails in decisive respects. Most terrorists, particularly the most well known, are not caught by such means. And most of those who are caught do not stay in jail long.

Five years ago, 52 Americans finally came home from Iran. Khomeini had done nothing for 444 days. Then a "breakthrough"—for which more than one negotiator claimed credit—came in the very first hours of the Presidency of Ronald Reagan, who had made well known his opinions of the handling of the hostage crisis and of Khomeini. The new President welcomed back the 52 Americans with words we would do well to live by: "We hear it said that we live in an era of limits to our powers. Well, let it also be understood, there are limits to our patience."

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A Conservative In Hollywood

Charlton Heston Speaks Candidly about Movie Politics, Ronald Reagan, Civil Rights, and Sex on the Screen

Laura Anne Ingraham

It was not difficult to persuade me to accept the assignment to interview Charlton Heston.

He is something of a screen idol, having starred in more than 50 films since the early 1950s. In 1955, he won an Oscar for best actor in *Ben Hur.* He has a number of other spectacular screen credits: *El Cid, The Greatest Story Ever Told, Midway, The Agony and the Ecstasy, The Ten Commandments, Julius Caesar, Khartoum, Earthquake,* and *Planet of the Apes.*

Although he lives in Beverly Hills, Heston frequently travels east to act on Broadway and the London stage. He made his Broadway debut in 1948 in *Anthony and Cleopatra.* His best known roles are in *A Man For All Seasons* and a number of Shakespeare productions. Heston has also starred in TV dramas: "Jane Eyre," "Of Human Bondage," and "The Taming of the Shrew."

Charlton Heston was born in St. Helen, Michigan and grew up in Wilmette, Illinois, attending Northwestern University on an acting scholarship. He broke his nose in a college fight, he says, "which has since helped me get a lot of parts." At Northwestern, Heston met Lydia Clarke, the woman he would marry and stay married to. They have now been together more than 40 years, virtually a Hollywood record. Their son Fraser is a Hollywood producer and writer; their daughter Holly works at Christie's in London. The Hestons have lived in Hollywood since 1950.

Despite his busy acting schedule, Heston has found time to express his convictions through political involvement. A former Democrat who worked for Adlai Stevenson and John F. Kennedy, he has been transformed into a conservative who campaigned for Ronald Reagan, appears in promotional advertisements for *National Review,* and makes documentaries about media bias in Vietnam for Reed Irvine's Accuracy in Media. He is constantly cajoled to run as a Republican for the U.S. Senate. As a Hollywood activist, Heston was president of the actors' union, the Screen Actors Guild (S.A.G.) from 1960 to 1969, a period of turmoil in the film industry. He has also debated fellow actors Paul Newman on nuclear deterrence and Ed Asner on Central America.

I was told to be at Paramount Studios at 11:30 a.m. to interview him. I arrived a bit early. Seconds after entering a building that looked like a rundown warehouse, I was met by a middle-aged woman in jeans. Later I learned that she is an assistant director of "The Colbys," ABC television's prime time soap opera. When I informed her I was there to see Charlton Heston, her tone and manner became instantly more friendly. "Chuck isn't here yet, but you're certainly welcome to watch the filming."

Around a row of several lighted make-up mirrors buzzed the cast and crew of the show. Talc and hair spray wafted around the aisle which lead to the set of a San Francisco jail. Ropes and cables hung from the high ceilings. Various landscape backdrops were pushed against the walls. A table filled with fresh deli meats and diet soda was a constant scene of playful banter among hungry workers, except when the bell rang and the producer shouted, "All quiet on the set."

All eyes turned when Heston, the star of the show, walked in. There was no mistaking that he, just like the patriarch Jason Colby he plays, commands respect and even awe among his peers. His six foot, three inch frame is still sturdy. The blue eyes, square jaw, and resonant voice make immediate sense of the hyperbolic term "screen legend."

We talked during breaks on two days of shooting. At first, he seemed shy and reticent, but soon became more amiable and candid. We covered a wide range of topics, from personalities (Jane Fonda and Ed Asner) to ideology in films such as *Missing* and *Rambo,* to his six-term presidency of the actors' guild, to his friendship with that former actor and guild president Ronald Reagan, to his involvement in the civil rights movement, to the issue of explicit sex and excessive violence in film.

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Policy Review: **What is the rough proportion of liberals to conservatives in Hollywood?**

Charlton Heston: I think it's probably fair to say that a majority of the acting community are old line liberal Democrats. There are probably more liberals here than in any sector of America except perhaps in our country's universities.

P.R.: Do most actors view President Reagan as a role model or as an embarrassment?

Heston: It corresponds to the proportions we just mentioned. The Ed Asners of the trade consider the President a reactionary, an embarrassment, if you will. But most actors, I think, understand that successful political leadership involves, indeed requires, performance. President Reagan has certainly performed superbly. He has achieved many of the objectives he set. And he has inspired the American people. That is what a President must do.

P.R.: Recently there seems to be a revival of movies which make overt political statements: *Silkwood, The China Syndrome, Missing, Under Fire, Rambo, White Nights* and so on.

Heston: Some of them do extraordinarily well. *Rambo,* of course, did terrifically because it appealed to American patriotism. *Silkwood* did less well, but still succeeded. This politicization of movies is a quite recent phenomenon. We didn't see it in the 1950s and early 1960s, certainly. We had political movies during and shortly after World War II. Now in the last two years we are again seeing unashamedly patriotic films. We are going beyond such films as *Coming Home* and *The China Syndrome,* which were highly critical of American society and government. They have been replaced by *Red Dawn* and *Missing in Action.*

P.R.: How does Hollywood regard the successful anti-Communist movies?

Heston: Perhaps with suspicion at first. But in this town it is very difficult to criticize a film that does well at the box office. If it does fabulously well, maybe, then envy takes over and criticism becomes acceptable in the Hollywood ranks. I think envy has been as great a factor in the attacks on *Rambo* as anything else.

P.R.: Is there still a bias against making anti-Soviet films?

Heston: That's possible, but the situation may be changing. I remember that there was a script floating around here for a long time called *Vandenberg.* Finally one studio did agree to make it. But when they met with me to discuss turning the novel into a screenplay, the producer said that he didn't think it should be about America under a Soviet government, after a Soviet occupation. He wanted the men in the relocation camp in the story to be victims of a plot to take over the government by the U.S. armed forces. I said no, that's not what the story says. That was the end of that.

P.R.: What are the main political issues tackled by the actors' union, the Screen Actors Guild (S.A.G.)?

Heston: For the last 10 years, the guild has been dominated by an increasingly activist group. Their agenda was social activism extending beyond the boundaries of a labor union, especially one as poor as the S.A.G. Our union has the highest rate of unemployment and the lowest average income in organized labor. Most people don't understand this because people think of actors' salaries in terms of me,

Photo by Deborah Stone.

Robert Redford, and Jane Fonda. But in fact, last year 76 percent of our membership made less than $2,500. You can't live on that. So most of our members make a living at car washes and supermarkets—jobs that enable them to take a day or a week off once in a while to act.

P.R.: What is the most recent example of activism on behalf of the S.A.G.?

Heston: There was a controversy some time ago in the Screen Actors Guild when our then-president, Ed Asner, started to raise money for medical aid for the Marxist rebels in El Salvador. I and a number of others in the guild opposed this, not because of what he was doing, but because he failed to make it clear that he was taking this action as a private citizen. When I was president of the S.A.G. in the 1960s and involved in the civil rights movement, I took pains to make the distinction clear.

P.R.: Jane Fonda seems to have undergone a bit of a political transformation. She used to make trips to Hanoi and apologize for Communism. Now she's into what one columnist calls "Adidas socialism."

Heston: I don't perceive a significant transformation. Her rhetoric is rehabilitated a bit, but I don't think her positions have changed. At one time, she and her husband thought that their radical approach would be assets to their careers. Now they are both leaning as far to the right as is plausible, given their convictions. But they can't erase the past, nor have I heard her say she has reconsidered her actions in Vietnam.

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P.R.: Is the United States pursuing the right policy in El Salvador and Nicaragua?

Heston: I've spent some time with President Duarte. I am strongly impressed by him. He strikes me as a man of deep convictions and great sincerity. D'Aubuisson I'm not sure about. I'm glad we're backing Duarte. Fortunately, President Reagan's policies seem to have helped stabilize the situation in Central America. Nicaragua seems less able to export revolution to other countries. To the extent that we give military aid to the contras, we will reduce its ability to do this even further. I find it very amusing that my liberal friends in Hollywood say that sanctions against Nicaragua or the Soviet Union wouldn't work—would have no effect at all. But when it comes to Argentina or South Africa, they start shouting, "Sanctions, sanctions now."

P.R.: Who are the biggest activists in the S.A.G. now?

Heston: Patty Duke was just elected president. Chris Mitchum was elected vice president. Miss Duke has proved excellent; she's disavowed the social agenda which upset so many. Even the activists still on the board have let up a bit. The main reason not to set up all these committees and have them issue reports on activist issues is that it costs money. Members don't pay their guild dues—often money they can ill afford—for the money to be spent that way. The board of the union must pursue the interests of its members, mainly wages and working conditions. Fortunately, we seem to be returning to that agenda.

P.R.: As a former head of the actors' union, how do you think unions have changed in this country?

Heston: First of all, unions in America are quite different from European unions, not to mention so-called unions in the Soviet bloc. When I represented the S.A.G. abroad, I often had a difficult time explaining that unions in this country are quite conservative. Perhaps less so now then they used to be, but still relatively conservative. The reason is that the American worker thinks he is going to make it. He wants his company to profit: he is an optimist. European trade unions, by contrast, are ultimately confrontational because they think they can only gain if their company loses. The Communist unions—Scargill and his friends—are a special example. They even go further: they try to topple the government. They think they have a mission to make things work badly.

P.R.: Did you know Ronald Reagan when he was governor of California?

Heston: Oh sure. I met him the last year he was president of the S.A.G. I was appointed to the board and he inducted me. That was in 1958. I've come to know him over the last three decades, but I was impressed from the start with his virtuosity as a leader and negotiator. Reagan has always been underrated, especially by his enemies. Again and again, he demonstrates what political leadership is—he has almost defined it in recent years. The invasion of Grenada and the tax cuts are two examples of such bold and imaginative leadership. Even in the recent Philippine elections, Reagan's hand was visible behind the scenes.

P.R.: What are Reagan's biggest accomplishments and failures?

Heston: His biggest accomplishment has been to unite and lead the conservative revolution—to translate it from theory into practice. Before Reagan, there was only the *National Review,* virtually, and it was considered a fringe organ.

P.R.: His failures?

Heston: There are times when Reagan has not used pressure that is available to him. He should have been quicker to apply sanctions against South Africa, and he should have applied stronger sanctions. This, by the way, would have helped make his point that sanctions can work. So the next time we wanted to use sanctions against Nicaragua, we wouldn't hear the tired old war cry: they aren't any good, supplies will just come from some other country, and so on.

P.R.: Is the Reagan revolution coming to an end?

Heston: I don't think the President has pressed his agenda as hard as he might have. On defense spending and military aid, I think he has shown strong leadership. But on domestic questions, he hasn't done very much since those early tax cuts in 1981. Still, Reagan has changed a great deal since he has been in office. Of course, if a Democratic President is elected in 1988, then we're in deep poop again. I've worked for and voted for Democrats in the past, but I just don't see any candidate they've got that can do the job.

P.R.: Who is your favorite in 1988?

Heston: I am not sure. I think I would like to see Jeane Kirkpatrick for Vice President; she would strengthen any ticket. The orthodox position seems to be to support Vice President Bush. But there are people who seem to fear that beneath his Texas exterior lies the heart of an Ivy Leaguer. His only opposition at this point seems to be Jack Kemp, though.

P.R.: You voted for Democratic Presidents all the way up to Richard Nixon.

Heston: Nixon the second time, in 1968.

P.R.: How do you feel about that in retrospect?

Heston: Well, sort of like Maurice Chevalier, who when asked how he felt about turning 80 years old replied, "Marvelous, when you consider the alternative."

P.R.: What is the role of women in America today?

Heston: I think they're in great shape. Women have opportunities that they didn't have only a short while ago. Women can do whatever they want to do, except pilot F-16s, maybe. But the ambiguity lies in that women are realizing that maybe they don't want to do it. To undertake any active career in a serious way is to have to give up, or postpone, childbearing and childrearing. I know women, actresses here in Hollywood, who tell me that they're worried their biological clock is running. It's a problem for a lot of them. That, by the way, is why my wife quit acting. We had been married some time, then we decided to have a child, and after that she didn't want to go back to acting anymore. Now she has a career as a photographer, but you can control that better—it's more flexible.

P.R.: You have done a lot of fundraising for Planned Parenthood. Why?

Heston: Because I consider the population problem the most serious problem facing mankind in the world today. On the other hand, I am opposed to abortion. This puts me in a difficult position. But I do consider all other goals of Planned Parenthood to be worthwhile.

P.R.: Has feminism accomplished anything for women?

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Photo by Deborah Stone.

Charlton Heston to Laura Ingraham: "The politicization of movies is quite a recent phenomenon."

Heston: I think so. Women have more options now and that's good. When I started in this business, there were only three jobs available to women behind the camera: script clerk, hairdresser, and body makeup. Even facial makeup was a job only for men. There were no women on crews, and for that matter there were no blacks and no Mexicans. When Martin Luther King came out here to investigate the employment of blacks, he had breakfast with a lot of us and I told him that there were no blacks on any of the technical staffs. He was shocked. But it was true. Dr. King brought it to public attention and it helped change things.

P.R.: In 1964, you made a trip to Washington with Marlon Brando, Sidney Poitier, and Burt Lancaster on behalf of the civil rights movement.

Heston: Yes, I'm very proud of my involvement, which began in 1961, right after I got back from shooting the movie *El Cid*. I picketed in the South—Oklahoma City and other places. I was in Washington in 1964. It was a very exciting time. Dr. King insisted that the protest be non-violent and it was. That was a point I made to Marlon Brando. He has a somewhat extravagant nature. Essentially, he wanted to lie down on Pennsylvania Avenue in Washington, chain himself to the Lincoln Memorial, and so on. But I was chairman of the actors' contingent. I said no, I would only participate if we obeyed the laws. For all its flaws, this country is a legitimate democracy and citizens owe allegiance to its democratically enacted laws.

P.R.: You have said that you that you oppose affirmative action because "there is no indemnity due for the failures of the past."

Heston: Yeah, I believe that. Martin Luther King did, too. The Civil Rights Act when it was written specifically eschewed favorable treatment. We are now in a position to observe the empirical failures of such an approach. I read *Losing Ground* by Charles Murray and have endorsed his conclusions in speeches. In particular, the damage done to the black family by welfare programs, and the damage done to the black psyche—the sense of self-worth—by affirmative action, outweigh the possible benefits.

P.R.: What about the disintegration of the black family?

Heston: It is shocking but true that more than 60 percent of black children grow up without a father. I find it interesting that our highest ratings for "The Colbys," a story of rich upper class whites, come from Chicago and Detroit—two cities with very large, poor, fatherless, black populations. Our producer Esther Shapiro's theory is that these black people like to watch this show because it shows a strong, even authoritarian, but loving father—me. She may be right.

P.R.: Have you picketed the South African consulate in Washington?

Heston: I played in a tennis tournament recently with white and black South Africans; the purpose was to demonstrate that integration is possible and desirable. But I don't get any sense that the people picketing the embassies realize the strategic importance of South Africa to the United States or the fact that black South Africans live a far better and freer life than blacks in almost all other African countries.

P.R.: Have you heard the song made by Western and African musicians in solidarity with the anti-apartheid

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Photo by Deborah Stone.

movement? It's called "Sun City."

Heston: I'm afraid I am not up on rock and roll stars. But I am not impressed by their political activism. This may sound snobbish, but the intellectual level of rock musicians is not to be envied.

P.R.: Who has more influence on American values: Hollywood or the news media?

Heston: The moving image is the most powerful tool or weapon to change and shape the way people feel about the world and themselves. The printed word is almost primitive—like the hammer and stone—measured against film and television. Its influence doesn't compare. It can tell you things, if you can read, but film can show you.

P.R.: Hollywood seems to exist in a moral vacuum. The actors on talk shows like Johnny Carson speak casually about their affairs, illegitimate children, and so on. How do actors make marriages work?

Heston: You need a certain basic commitment, a little bit of tolerance, and most of all a superior husband. I happen to be a superior husband. I'm also modest.

P.R.: Are sex and violence on network TV shows poisoning the minds of teenagers?

Heston: I don't know. They are pretty careful about violence. Sometimes it is excessive. But violence has been endemic to drama ever since the days of the Greeks. Shakespeare is pretty violent too. Explicit sex is a problem, I think, although AIDS is helping to solve that problem.

P.R.: How so?

Heston: During the time I've been in films, the way love scenes are staged has altered significantly. But as of last summer there wasn't any open mouth kissing. After Rock Hudson's death, the Screen Actors Guild passed a resolution which said that actors could refuse to play sexually explicit scenes that they felt threatened their health.

P.R.: Does Hollywood reflect changing social moods on a matter like promiscuity, or is it an agent of change?

Heston: Both. But I think producers and actors think, more than they should, that they are setting tastes. More likely, they are reflecting them. But on political questions, I find many screenwriters tend to be 1930-style liberals, far to the left of the population as a whole. Clearly, they don't reflect the political views of the majority of Americans, but they try to change the popular consensus.

P.R.: Ben Stein's book, *The View From Sunset Boulevard,* portrays producers and the Hollywood community as hostile to middle class or bourgeois values. True?

Heston: There is something to that. The four acceptable characters for villains on prime time are: businessmen, bankers, politicians, and military men above the rank of major.

P.R.: You're forgetting fundamentalists.

Heston: Okay.

P.R.: Reverend Donald Wildmon founded the Coalition for Better Television to boycott shows which show too much sex and violence.

Heston: Just as producers have the right to make bad films, citizens have the right to boycott. Producers sometimes think the First Amendment rights are unlimited. That isn't true. Nobody could make a film about the torture of a seven-year-old girl. Nobody would, I hope. Because of the influence of film as a medium, I think the filmmaker has a responsibility to society. When it is violated, though, criticism is probably a better weapon than a boycott. For example, I think *The China Syndrome* was an irresponsible film because it spread false notions about the unclear power industry and irreparably delayed the nuclear power program.

P.R.: Do movies reflect the temper of the times? In the 1950s, could it be said that Katherine Hepburn and Grace Kelly represented some forgotten ideal of innocence? If so, who represents the mood of the 1980s?

Heston: That's a hard one. Usually time clarifies these things. Maybe Robert Redford and Meryl Streep. Certainly some of Redford's recent parts are affirmations of the possibility of winning. His baseball movie, *The Natural,* is an excellent example.

P.R.: What about female stars?

Heston: I don't think Meryl Streep or Jessica Lange or Sissy Spacek are as clearcut in what they stand for, or how they stand in relationship to this decade. To some extent they reflect changing roles for women in society.

P.R.: Why aren't there any actors recently who have really left an impression? Most of the names that come to mind—Redford, Olivier, Burton, Newman, and so on—are from the 1950s or 1960s.

Heston: There is a reason for that. Hollywood is going through a transition now. The cost of making and promoting and advertising films has risen so high that you have to make films that will reach the broadest possible audience. These tend to be space operas or special effects films. In those films, stars have less to do. I made perhaps the first of

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the space opera films, *Planet of the Apes*. But see, that had a part in it, a role for an actor to play. Two years later, Richard Zanuck was making *Jaws*. I was playing tennis with him and I told him it would be fun to act in that movie. He said, "Chuck, the star of this film is a mechanical shark; it comes cheap, we don't even have to pay it 10 percent of the gross." So starting with *Jaws*, movies began to star actors less and technology more. There are exceptions to this pattern—Sylvester Stallone, Eddie Murphy, Robert DeNiro. But each of these styles is so distinct that they can't be said to constitute a movement.

P.R.: Just being with you for a few days, I see a lot of similarities between your character and that of Jason Colby, the patriarch of "The Colbys."

Heston: Of course. My responsibility when I am playing historical characters is to reflect that specific person. Richlieu was not very much like me, nor was Michaelangelo, who was a very anti-social, freaky guy, consumed by his genius, but he didn't care about anything except cutting marble. I have to research these personalities exhaustively in order to find them. Fiction is different. Then you can use yourself in the people you play. This is what I do with Jason Colby: I get to invent him.

P.R.: Do you mean that you are in love with your wife's sister, like Jason Colby?

Heston: Sorry to disappoint you. No, my personality is in many ways like Colby's, but my life has been quite different. This role is like previous roles I've played, I suppose, in that I've tended to play authority figures—presidents and cardinals and prophets. It differs in that for once I'm wearing trousers instead of togas or an ape costume. In "The Colbys," I'm preoccupied not with painting the Sistine Chapel or leading Jews out of bondage, but with domestic concerns: my son's business, my wife's affairs, my attraction for my wife's sister.

P.R.: What are your worst films?

Heston: The absolute worst is unquestionably *Call of the Wild*. That's too bad, a real failure for me, because not only is the novel highly cinematic, but it's by one of America's great writers, Jack London.

P.R.: Who is, in your view, the best actor around?

Heston: Lawrence Olivier is, without question, the best actor of this century. I don't think you will find one actor in 10 who would give you a different answer.

P.R.: Who are your heroes?

Heston: Andrew Jackson. He was the first populist President. He was also the first President with a western style. He was also an extraordinary man. So was Jefferson, whom I consider the only genius who has ever been in the White House. Olivier, for the breadth of this talent. Shakespeare, Sir Thomas More, Michaelangelo. Luckily I have had a chance to play some of these people.

P.R.: What is your own favorite performance?

Heston: Hard to say. I like films for different reasons. Some because they win prizes. Others because they make money. I am very proud of my three Shakespearean films. Some of my favorites were not very popular, like *Will Penny*, which some people regard as my best role. I wish all the people who told me how great it was went to see it when it first came out. *Khartoum* is another of my favorite roles.

P.R.: Which books most influenced your life?

Heston: Shakespeare. The most profound artist, writer, poet, even philosopher. He understood human beings better than anyone. He had an instinctive grasp of psychology, for example, long before Sigmund Freud was a gleam in his father's eye.

P.R.: How does your Scottish blood influence you and your acting?

Heston: The Scots are a beautiful race. We tend to be on the record, industrious, and determined. Responsibility is considered a Scottish virtue. I'm extremely proud of my blood. Scots are private people, though. They perform public functions well, but out of a dour sense of duty. I undertake my share of public sector tasks on those terms; I take no pleasure in it. That is one of the reasons I decided not to run for senator of California.

P.R.: One of the criticisms of your acting is that you are too reserved, you hold back.

Heston: Like many actors I am, in fact, shy. I have learned to be a public person, but only with lots of practice. In fact my life is now, in many ways, what it would be like if I was a senator. Except I make more money.

P.R.: Are there other reasons you decided not to run for the Senate?

Heston: I would rather play a senator than be one. Nobody can convince me that there is no Republican in California who can beat Alan Cranston.

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The Red And The Black

In the Soviet Union, Some Races Are More Equal Than Others

Deroy Murdock

Virtually every day the Soviet press berates the United States for the rampant racism that is said to govern daily life and policymaking in America. For example, *Tass* recently noted, with characteristic understatement, "Growing concern is caused by the rampage of racism bordering on genocide against Americans with dark skin."

Ironically, these charges are launched from a country where racism against those of us who are not white is almost surely worse, than in the United States. The Soviet official Chaiko from the film *White Nights*, who refers to blacks quite casually as "niggers," is not an anomaly in real life within the Soviet borders.

There is little systematic evidence on the subject of racism in the U.S.S.R.: problems unacknowledged are seldom studied. Nevertheless those with firsthand experience of the Soviet Union, even when generally reluctant to criticize the regime there, frequently return disgusted with the bigotry that they say is commonplace, especially among Communist officials and in the armed forces.

Last November, black American playwright Charles Fuller visited the U.S.S.R. "There's no racism in the Soviet Union: that's what I was told," Fuller recalls. But during a visit to a school in Vilnius, Lithuania, several students "stared and pointed" and jeered upon seeing him. In another episode, Fuller found himself on a night train from Minsk to Moscow where a *Tass* reporter confidently regaled the American delegation with a story about black people that Fuller found "deprecating, condescending actually" and "reminiscent of Uncle Remus."

Fuller expressed disappointment that the Soviet government does nothing to discourage racism in Russia, but that is not surprising, he says, as the authorities deny its existence. Fuller found racism to be even more prevalent there than in his home country. "I detected no difference between Soviet attitudes about black people in that country, and those of white people in the United States in the 1950s, just as things here started to change."

Beat poet Allen Ginsberg, who visited the Soviet Union with Fuller, returned with similar impressions. "The Russians are the honkies of the Soviet Union like the Southern Baptists and white Protestant rednecks are the honkies here," remarks Ginsberg, with characteristic flair.

The Soviet Union has no indigenous black population. However, it has hosted many American and African blacks, most of them students who attend universities in Moscow. Patrice Lumumba University in Moscow is attended by thousands of blacks who go there for training in technical skills and Marxist dogma. They want to share the Soviet enterprise of spreading socialism around the world. But they are not treated by the Soviets as equals. In fact, Lumumba University is a focus of derision among Russian students who have nicknamed it "the zoo" and its African pupils "apes." Tom Melady, former U.S. ambassador to Burundi and Uganda, remarks that "the establishment of Lumumba University was a means to segregate Third World students, primarily Africans." He characterizes this as a Soviet version of apartheid.

Black students have been beaten up, even killed in some cases, when they dated or sought to marry Russian women. In December 1963, a Ghanaian student was found dead after he announced his engagement to a woman from Moscow. Although his body showed obvious signs of struggle, Soviet officials insisted that the Ghanaian had been drunk and had frozen in the snow. In 1975, the African Student Union in Lvov in the Ukraine wrote African ambassadors in Moscow complaining about racism and urging them to plead with the Soviet authorities for better treatment. The students wanted their diplomats "to please let the Russians know that if they want our respect, they should respect our countries and peoples." They documented numerous cases of assaults, an attack on a pregnant Nigerian student, and the worst case in which a Nigerian was "attacked by a drunken Soviet with a chisel while sleeping in his room." His calls for help were answered by two friends who repelled the intruder. But shortly thereafter all three Africans were expelled for "attacking and beating up a Soviet citizen."

That same year, African students in Kiev went on strike to have a scholarship reinstated for a Czech woman who married a Nigerian. The Czech consulate in Kiev withdrew her scholarship after the marriage and ordered her to leave

Deroy Murdock *is a senior at Georgetown University and chairman of Free Students of America.*

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UPI/Bettman Newsphotos

Charles Fuller: "I detected no difference between Soviet attitudes about black people in that country, and those of white people in the United States in the 1950s, just as things here started to change."

the province. The student protest, which featured picket signs saying "Moscow is another Alabama," proved successful, as the woman was permitted to stay on with her husband.

Moslem "Homelands" Policy

Michel Ayih, a young Togolese who studied in the U.S.S.R., captured the sentiments of many frustrated African students when he wrote:

> Instead of finding a country of unlimited human fraternity, I found myself in the heart of a world dominated by the most elementary and primitive racial reaction . . . Before coming to Moscow, I had lived in the West and I can vouch that I had never, by any means, found such systematic racial discrimination there.

The Soviet Union scarcely attempts to conceal its prejudices against blacks. Richard Dobson of the U.S. Information Agency reports that a prominent Soviet official, while on a visit to Washington D.C., expressed amazement that the U.S. government "allows so many blacks to live in the nation's capital."

David Shipler, a reporter for the *New York Times,* spoke with several victims of Russian racist attitudes for his book, *Russia: Broken Idols, Solemn Dreams.* Among them was a black American student in Leningrad who said she had gone several times for examinations by a Russian doctor. He finally asked her, "Which of your parents is white?"

"Why, neither," the girl replied. "They're both black."

"Really?" said the doctor in amazement.

"Yes, really. Why do you ask?"

"Because you're so beautiful."

Two Rand Corporation analysts, S. Enders Wimbush and Alex Alexiev, recently conducted a study of racial and ethnic diversity in the Soviet armed forces. After interviewing 130 former Soviet servicemen representing "a wide range of nationalities and geographic regions," they found that in the peacetime forces "racial discrimination is accepted and routinized, perhaps to an unprecedented degree."

Wimbush and Alexiev cite numerous examples of this prejudice, including the account of one soldier who told them:

> From the beginning we, the white people, considered ourselves somewhat higher and with more privileges than the churkas [a derogation for Asiatics meaning literally "wood chip"] . . . That is why, when it was necessary to do some unpleasant work, say cleaning a toilet, a Kazakh would be sent and the Russians would make him do it.

There is another story of a group of soldiers who did not like a pair of Kazakh Tatars in their squadron. "They knew [the Kazakhs] did not eat pork, so one Russian would put a pig's ear in a Tatar's soup."

The Tatars are Moslem Central Asians of Mongolian descent. One sub-group of these people, the Crimean Tatars, have probably suffered the gravest consequences of Soviet racism. Not only were they subjected to genocide, but now they are victims of a "homelands policy" as cruel as anything practiced in South Africa.

By a decree of the Soviet government, the Crimean Tatar Autonomous Republic was established in 1921. The Tatars were allowed to live there peacefully until 1944, when they were accused of collaborating with the Nazis and their entire population moved. Machine gun-toting N.K.V.D. (now K.G.B.) soldiers awakened the Tatars and herded them into cattle cars which they termed "crematoria on wheels." They were hauled around for weeks with neither food nor water.

The deported and displaced Crimeans were finally resettled in swamps and marshes in Uzbekistan which they then filled with the bodies of their dead. This human landfill in which the Tatars live inspired one of them to comment, "I'm almost afraid to tread heavily on this ground. It seems as if I would hear someone groaning under my feet."

All this has been revealed in congressional testimony in the United States. Statistics have been collected on casualties: of the 238,500 Tatars deported in 1944, more than 110,150 had starved or frozen to death by 1946. Meanwhile, back in the Crimea, Stalin's men erased all traces of

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the Tatars' culture: they used axes, bulldozers, picks, and tractors to raze mosques and Tatar cemeteries. Even books by Marx and Lenin published in the Crimean Tatar language were burned. Towns with Tatar names were changed. As Ayshe Seytmuratova, a Tatar who left Russia, told the U.S. Congress, "The whole exercise was aimed at wiping us out not only from the face of the earth, but even from under the earth."

By 1967, the Soviet government admitted that the charges of pro-Nazi sentiments against the Tatars were absolutely false. But a decree of the Presidium of the Supreme Soviet concluded that "The Tatars, formerly residing in the Crimea, have resettled in the territory of Uzbekistan and other union republics." To this day, the Tatars are forbidden to return to their homeland: Directive 221 of the Ministry of Internal Affairs of the Uzbek S.S.R. states that they "are forbidden to enter the Crimea." Those who defy the order are expelled from their new homes and returned to Uzbekistan by car or train. Then they are punished.

This homelands policy has taken its toll. Even Crimean activists who are trying to get their people home have been driven to despair. Three of them hanged themselves in 1978. Musa Mamut, a 46-year-old Crimean Moslem, was driven by repeated police brutality and harassment to set himself on fire before his 11-year-old son. What the Tatars can expect from the Kremlin in the future is best expressed by a Soviet official who told dissident Memedi Chobanov, "I'll keep locking you up again, again, and again, until you stop loving your homeland."

Jews as Hybrid Criminals

This points to an important reason for institutionalized racism in the Soviet Union—it serves the ends of the party leadership. By manipulating the racism inherent in traditional Russian chauvinism, the Soviet Union is able to direct hostility toward ethnic groups and keep the polyglot peoples of the U.S.S.R. divided and, therefore, conquered. Bigotry is often directed at Soviet Jews for this reason. Antisemitism in the Soviet Union has been extensively documented. Suffice it to note that it often disguises itself as anti-Zionism, whereas in fact it frequently goes far beyond hostility to the state of Israel. William Korey of B'nai Brith observes, "Not since the Nazi era has the world seen such a vast amount of venomous antisemitic hate material as that pouring out of the Kremlin propaganda mills."

Two bigoted Kremlin propagandists are Vladimir Begun and Valery Emelyanov, both hailed as "Jewish specialists." Begun's book *Invasion Without Arms* describes the Jewish holy book, the Torah, as "an unsurpassed textbook of bloodthirstiness, hypocrisy, treason, perfidy, and moral degeneracy—all the lowest human qualities." This state-approved book was a Russian bestseller, enjoying an initial press run of 150,000 copies in 1977 and republication of 50,000 copies in 1979.

Emelyanov is now in prison charged with various crimes, but until recently he was a popular lecturer with the Knowledge Society in the U.S.S.R. In his book *De-Zionization* he explains that "Jews are a stable criminal genotype of a hybrid character, created on a base of cross-breeding of ancient professional dynasties of the criminal world of the black, yellow, and white races." Emelyanov termed President Carter's first secretary of state as "the Jew Cyrus Vance" and the late New York Senator Jacob Javits as "the Vice-Obershturmfuhrer (sic) of the B'nai B'rith Gestapo" and a member of the "entire Zionist Masonic Mafia of the United States Congress."

A prominent Soviet official, while on a visit to Washington D.C., expressed amazement that the U.S. government "allows so many blacks to live in the nation's capital."

To Marxists who value the doctrine of equality, all this is perhaps shocking and disturbing. Yet the Soviet Union, in its pervasive racism, is only echoing the racist sentiments held by Marx himself. Marx's correspondence is riddled with examples. He wrote Paul Lafargue, one of his daughter's suitors, not to make his overtures too intimate: "When you invoke your Creole temperament, then I consider it my duty to step in between your temperament and my daughter with healthy common sense." Lest this be taken for lighthearted joshing, Marx wrote Engels about Ferdinand Lasalle, a Jewish associate of theirs, calling him a "Jewish nigger." He opined further:

> It is now completely clear to me that he, as is proved by his cranial formation and [curly] hair, descended from Egypt (assuming his grandmother on the paternal side had not interbred with a nigger). Now this union of Judaism and Germanism with a basic Negro substance must produce a peculiar product. The obtrusiveness of this fellow is also nigger-like.

Unlike the United States, the Soviet Union has not taken steps to reduce the problem of racism. Prejudice is apparently one area in the U.S.S.R. where equality is vaunted, but some races are more equal than others.

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SHANTY RAIDS AT DARTMOUTH

How a College Prank Became an Ideological War

DINESH D'SOUZA

Leslie Grant, a black freshman at Dartmouth College, did not quite know what to think as he watched himself hang in effigy in the main university building, Parkhurst Hall. "There I was," he recalls, "being lynched by my own people." A few days later, black students at Dartmouth held a ritual confession in which one of them, posing as Grant, admitted to being a traitor to his race and an Uncle Tom. As if to formalize these sentiments, Dartmouth's *Black Praxis* printed a poem calling Grant a "nigger." Then, of course, there was the official sanction: Grant was expelled from Dartmouth for two terms, with a permanent stain on his record and a potential loss of several thousand dollars. It was harsh treatment indeed for the soft-spoken, bespectacled youth from northern New Jersey, who had only just realized his dream of attending one of the nation's most prestigious universities, in one of the world's most pristine settings.

Grant's crime? In late January this year, he and 11 other students knocked down three shanties or plywood huts constructed on the campus lawns to protest Dartmouth's investments in companies doing business with South Africa. The scheme had been hatched a couple of days earlier in the office of the *Dartmouth Review*, an impudent right-wing weekly which Grant joined because he is "pretty conservative" and found the paper "an independent voice to express my views."

He is unsure about the wisdom of divestment as a means to bring about majority rule in South Africa, which he supports. "It doesn't seem to me that the solution is for Western businesses to pack up and leave." Yet Grant was in favor of the shanties erected in the fall of 1985 by an activist group on campus, the Dartmouth Committee for Divestment (D.C.D.), because he felt they helped dramatize living conditions for black families in South Africa.

After about a month, though, D.C.D. members ceased to hand out literature at the shanties and argue their case with students. The shanties were abandoned most of the time, although a couple of students slept in them one or two nights a week. "They ceased to be an instrument of debate on campus and simply became a visual irritation," says Grant. "The shanties, not South Africa, were the issue." False equations started to surface. "Minority groups began to say that the shanties were pertinent not just to South Africa but also to Hanover, New Hampshire. I found this very silly and a bit of an insult to the families who suffer so much in South Africa. Racism here is nothing like what they have to bear every day."

On January 12, 1986, Grant and his conservative friends rented a flatbed truck and tools and drove to the periphery of the Dartmouth green. It was a quiet night, with snowflakes wafting down on them. There the shanties stood, makeshift constructions of cloth and wood, insulting the serenity and beauty of Dartmouth on that wintry night. The students unloaded their equipment and got to work. Their goal was to remove the ideological architecture from the green before the approaching Winter Carnival, a weekend celebration that each year draws thousands of visitors and alumni to Dartmouth.

Unfortunately, Grant says, the 12 found two students who had been sleeping in one of the shanties. This was the sturdiest and warmest shanty, with heavy rugs, fiberglass insulation, and all sorts of amenities that are not standard fare in black shantytowns outside Johannesburg. But the group was prepared for the sleepers: they left the inhabited shanty untouched. Robert Flanigan, president of the *Dartmouth Review*, asked the two women students whether they were going to leave. They said no. Flanigan proceeded to an abandoned shanty.

The 12 began to topple the shanties with sledgehammers. They were absorbed in their prank, Grant admits. "There was a lot of loud laughter." The two students did run off and raise the alarm, and the campus police came in minutes.

But by that time, one shanty had been leveled and two others partly dismantled. According to the police report, the conservative pranksters were non-violent and obliging when confronted. "Upon arriving," the report says, "we were met by two students, both female. They handed the town police a letter. They said it would explain what they were doing. We stopped the rest of the students from dismantling the shanties anymore. They were all very cooperative, and stopped when asked."

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Photo by Deborah Stone

"Half the people would mentally have liked to sledgehammer the shanties," says physics professor John Kidder.

The account contrasts sharply with what subsequent accounts in the national press and on the campus have portrayed. The students were called "fascists," "brownshirts," "Ku Klux Klansmen," "cross burners," and "terrorists." They were surrounded by a mob of leftist students and professors who yelled obscenities at them. There were numerous public calls for their expulsion, and they received threats to their life. Tried by a college judiciary committee that held them responsible not just for overturning three shanties but also for racism in America and around the world, the 12 students received draconian sentences: four were expelled from Dartmouth, and eight suspended for two terms.

"We became scapegoats for a lot of resentments that had accumulated over a long time," Leslie Grant says. He argues that the political left on the campus amplified a distorted version of the 12 students' actions in order to foment an atmosphere of hostility and indignation at Dartmouth, from which it could gain acquiescence for previously ignored demands.

How this happened makes for a story that is immensely colorful and at times unbelievable. It is also a synecdoche for larger events—confrontations that are happening and will happen between an entrenched political left and a burgeoning right for control of the halls of academe. As the *New York Times* remarked, the shanty incident illuminates the phenomenon of the right "taking on the protest mantle of the 1960s left, using forms mostly forsaken by the current generation of undergraduates: satire, tirade, infiltration of the opposition's meetings, and guerrilla theater." The aftermath of the incident is a testament to the defensive, intolerant, and often mean-spirited character of the liberal establishment on the American campus.

Professors in Mutiny

Nowhere has the conflict between institutionalized 1960s radicalism and activist conservatism been as acute as at Dartmouth. A small campus insulated in the woods of New Hampshire, Dartmouth is three hours away from the nearest city of Boston; its denizens do not have diffused outlets for their political and social energies. "All the pressures are centripetal," as English professor Donald Pease puts it, with the result that Dartmouth students live more wildly, intensely, than students at other schools.

Dartmouth has more than its share of residue from the 1960s in its academic departments. "Many of the professors running the show today were protesters during the Vietnam War," says Douglas Greenwood, editor of Dartmouth's *Alumni Magazine*. "They are highly politicized and eager for power." The knowledge that this pedigree of liberalism is no longer fashionable in Washington and has lost much of its influence on national policy only intensifies the desire of these academics to secure their hold at the universities. There, by shaping young minds with the fervor of '60s radicalism, they hope some day to stage a comeback on the national scene.

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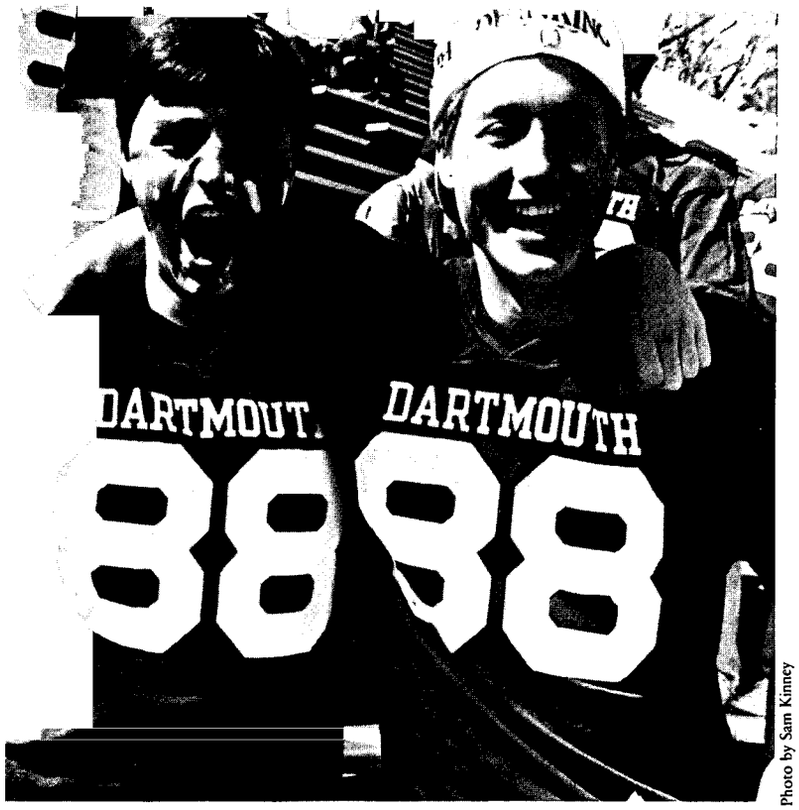

Photo by Sam Kinney

Dartmouth has moved from football revelry to charges of racism and fascism.

Professors at Dartmouth freely admit that "the faculty here is much more left than the students," as religion teacher Fred Berthold puts it. He says this is because "many of us develop a long-range historical perspective. We know that America's existence is brief in the span of history." But this studied neutrality toward Western values, this sense of being unmoved by ephemera and above the debate, disappears when Dartmouth professors confront issues such as poverty and racism, which drive them into frenzied lobbying for redistribution and reverse discrimination.

The '60s radicals on the faculty at Dartmouth have formed an alliance with discontented women, minority students, and homosexuals who believe that Dartmouth is a white male enclave that is insufficiently accommodating of their diverse pursuits. "Many of these students feel that they don't quite belong here," says physics professor John Kidder, "and they resent those who think they do. So the disenchanted students are always looking for reasons to justify their sense of isolation."

Although it is constantly asserted that recent tension at Dartmouth is explained by the fact that the college has metamorphosed from a WASP haven into a more diverse institution, a more important cause of the conflict is that the Dartmouth student body has become more conservative. After all, coeducation and affirmative action came to Dartmouth in the late 1960s and early 1970s; they can only partially explain current uproars. But the move to the right among students, paralleling political shifts among young people around the country, has created a new collision with the institutionalized ethos of radicalized deans and professors.

Unlike conservative students at many other liberal colleges, Dartmouth undergraduates can find refuge and inspiration among their elders. There are three eminent conservatives on the Dartmouth faculty: Jeffrey Hart, professor of English and senior editor of *National Review;* Robert Jastrow, astronomy professor and prominent advocate of strategic defense; and Colin Campbell, monetarist and associate of Milton Friedman. Conservative students gravitate toward these men who provide intellectual artillery—and in Hart's case, perverse wit—to counter the prevailing *weltanschauung.*

So here is a college where 4,500 students, 250 professors and 10,000 or so active alumni fight over symbols and abstractions and faraway revolutions with incomparable verve and animation. The temperature of the argument is just as high when students are agitating for a local issue, such as the return of Dartmouth's outlawed Indian symbol, as when they seek emancipation for blacks in South Africa, several thousand miles away. Usually the debate is intellectually robust and the strategies innovative and high spirited, but occasionally a streak of mad viciousness creeps in, and then everybody goes berserk and brings about an implosion that shakes to the core of the town of Hanover and causes mysterious reverberations in the rest of the country.

The Theory of Outrage

Most of the controversies at Dartmouth in some way involve the *Dartmouth Review,* a weekly paper that inspires fits in faculty offices. As someone who wrote for the *Review* since its founding in 1980, edited the paper in 1982, and has served as a trustee since graduation in 1983, I have been in a unique position to observe the hysteria surrounding this infamous rag. Most of the disputes have been noisy but harmless, even invited by the *Review.* During my tenure, I liked to warn deans that taking on the *Review* is like wrestling with a pig: not only does it get everybody dirty, but the pig likes it.

The *Review* stands in direct and bemused opposition to the codified ethos at Dartmouth, formally enshrined in catalogs as the "Principle of Community." The paper supports a curriculum focused on the classics of Western civilization, which its critics regard as a thin veneer for cultural elitism; it opposes courses catered to political groups, such as Afro-American Studies and Women's Studies, which its critics consider a racist and sexist attitude; it demands athletic teams which rout their opponents, which its critics find extremely philistine; it wants alumni included in setting goals and priorities for the college, which its critics find reactionary; it lauds the leadership of Ronald Reagan, who is considered a gauche and transparent thespian; it insists on the existence of absolute values, which the critics find simplistic; finally, it does everything with a sense of scarcely restrained laughter, which its critics find unspeakably offensive.

The *Review* has gotten results. Its tireless lobbying for the return of the Reserve Officer Training Corps, banned at Dartmouth in 1970 in the wake of Vietnam, finally resulted in an Army program being reinstated on campus last year. The *Review*'s articles on the Tucker Foundation, Dartmouth's million-dollar institute which is supposed to foster moral discourse but instead subsidizes left-wing passions such as disarmament and support for the Sandinistas, helped persuade the trustees to sharply scale back the budget. The paper documented the support of more than

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100 Indian tribal chiefs across the country for Dartmouth's Indian symbol to the eternal chagrin of local whites and native Americans (as they insist on being called) who had, for more than a decade, maintained that the symbol was a terrible insult to the Indian race.

Most of the copy in the paper is of a serious nature, although the *Review* does have a more outrageous streak than the 50 or so conservative papers it helped inspire on campuses across America. Thus the paper has commented on gender issues: "The question is not whether women should be educated at Dartmouth. The question is whether women should be educated at all." Further: "Any man who thinks a woman is his intellectual equal is probably right." On politics and mortality: "We deny the foul rumor. Ted Kennedy was nowhere in the area of Catalina Island where Natalie Wood drowned." On the Atlanta child murders: "'I ain't killed nobody,' Wayne Williams said, confessing his crimes at last." When a homosexual advocate wrote the paper recently, arguing that "The sexual preference of parents has nothing to do with child rearing," he was informed, "Now we know why children are getting AIDS." The *Review*'s most notorious satire was "Dis Sho Ain't No Jive, Bro," a column in black dialect which made the case for quotas.

Some of these items were dumb and should not have been printed. But we thought they were hilarious at the time, and some even had the added merit of being true. When I recall some of the material I printed in the paper, I am (mildly) alarmed. And yet there is a purpose to this outrageous style. The *Review*'s radical tone is intended to challenge the etiquette which protects liberal orthodoxy and return taboos which are legitimate topics for argument to the public debate. This the paper has succeeded in doing.

When I came to Dartmouth in 1979, for example, reservations about racial quotas were unmentionable. From 1980 to 1985, the *Review* frontally attacked and ridiculed the concept, documenting that students were being admitted to Dartmouth with 400 scores on the SAT, calling for winos and bag ladies to be imported to campus for "true diversity," and so forth. Returning to Dartmouth as an alumnus, now I find that it is entirely respectable for students to criticize quotas and reverse discrimination. They insist, of course, that they are "not as extreme as those fellows at the *Dartmouth Review*." But they do not realize that the *Review* made it comfortable for them to say the things they now do.

Even the *Review*'s critics have acknowledged that "it has succeeded where countless tenured professors have failed—in stirring up animated debate on campus," as *The New Republic* editorialized. And the paper's graduates who work at the Hoover Institution, the White House, the Senate, and in the media have, for the most part, shown that calculated irreverence in college does not necessarily project into professional irresponsibility. Meanwhile, some of the bright young neoconservatives from other colleges who attacked the *Review* for bad taste and association with unsavory characters have ended up in the pay of Rupert Murdoch and the Reverend Moon.

South Africa is the dominant political issue at Dartmouth, as it seems to be at colleges all over the country. The reason for this is that it is one of the few issues on which the liberal coalition can still unite. "Reagan has confused and divided the left on campus," says Edward Atanda, a black student at Dartmouth. South Africa provides a "clear moral crusade" that can "rally a frustrated and fragmented left on the campus," he remarks. Symbolic shanty towns have been built not only at Dartmouth but at 24 other colleges, including Wesleyan and Stanford.

The aftermath of the shanty incident is a testament to the defensive, intolerant, and often mean-spirited character of the liberal establishment on the American campus.

Most companies that Dartmouth invests in have one percent or less of their holdings in South Africa. On the one hand, this means that not too much pressure is needed to get them to jettison such a fractional investment. On the other hand, however marginal the investment, it contributes to better working conditions and job opportunities for black South Africans. Two worthwhile objectives—avoiding complicity in the system of apartheid, and helping make life better for some black families—seem to be in conflict.

The divestment movement ignores these ambiguities; it also focuses outrage over apartheid on Western corporations, which are not the problem. I could not avoid the feeling when I visited Dartmouth recently that many of the protesters were more interested in their own innocence than in freedom and a livelihood for desperate Africans. As literature professor Werner Kleinhardt (who, having spent five years in a Soviet concentration camp, is no stranger to repression) puts it, "The divestment effort is morally selective and misguided, but it reflects a naive idealism which has its place on the campus."

One such idealist is Kim Porteus, one of the women sleeping in a shanty at the time of the raid. I asked her how many blacks there are in South Africa; "I feel like such a bubble-head right now," she replied, brushing back her short blond hair. When I inquired why, if she felt that investing in any institution connected with apartheid was immoral, she didn't withdraw and stop paying tuition to Dartmouth, she became very agitated and said, "Right now I'm in school. The way for me to make a difference is to do what I can while I'm here." It did not seem to dawn on Porteus that she was using the Reagan Administration's argument for constructive engagement—better to use leverage than to pull out.

There is innocence in the *Dartmouth Review* camp too, about the nature of liberalism on the campus. When the 12

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Photo by Steve Davidson

The divestment effort represents a "naivete which has a place on campus" says Professor Werner Kleinhardt.

students knocked the shanties down, they had not thought enough about the consequences of their actions. They certainly had no idea how much emotional and political energy the college faculty and radical student groups had invested in the shanties. History professor Bruce Nelson, for example, was in virtual raptures. The shanties were "one of the most exciting educational events I've seen since coming to Dartmouth." The South Africa activism was the closest thing he had seen to "the civil rights movement," in the 1960s Nelson rhapsodized. When people like this have their dream bubble burst, predictably they go into a frenzy.

The conservative students took confidence from the negative opinion of the shanties that had formed on campus by the start of winter term. "Half of the people around here would mentally have liked to go out and sledgehammer the shanties," as physics professor Kidder commented afterward. Also, several weeks before the shanty raid, Edward Shanahan, dean of the college, had ordered the shanties down "by the end of the day" but was too invertebrate to enforce his decision.

In retrospect, the conservative students should probably have gone ahead with their original plan to build an Indian tepee or a Soviet gulag on the green. This would have better conveyed their point that college lawns are not the proper place for political masonry, however lofty the cause. After all, if ideological constructions are permitted even though they violate town zoning rules and college regulations, where will it end? But the students rejected the tepee and gulag options because they felt they were protesting an imposition by a small group on the rest of the campus. A tepee would add to the imposition, not subtract from the existing one.

The day after the shanties came down, the faculty and student left went berserk. Immediately, 150 students and professors occupied Parkhurst Hall and the president's office. Secretaries fled in panic. The dissidents began to turn over papers and give speeches. Rushing back from a fundraising trip in Florida, Dartmouth president David McLaughlin found students jumping up and down on his desk. One of them, Darryl Witherspoon, wanted to know why McLaughlin was off campus on the day before the shanties came down, Martin Luther King Day. "What was so important and precious that you couldn't be here to share that with me?" Witherspoon wanted to know. McLaughlin responded, "My absence wasn't an attempt to be insensitive to your burning need." This is not reconstructed parody; the president talks like that.

For hours, McLaughlin was harangued by the protesters. It was the 1960s all over again. Now, as then, the administration showed no resolve at all in dealing with confrontation. McLaughlin himself is intelligent but has a Hamlet complex—faced with threats and multiple courses of action, he is paralyzed by indecision. Frequently his actions are not based on conviction but entirely in response to political pressure. Terrorized by the raging Parkhurst occupants, many of whom had ketchup and red paint on their shirts to confirm their identification with black victims in South Africa, McLaughlin acceded to all demands.

He agreed to prosecute the conservative students on a litany of charges: "malicious damage to property, unlawful and disorderly conduct, harassment, abuse, coercion, and violence." This, even though Dean Shanahan had told reporters that day he wasn't aware of any college rules that had been broken, given that the shanties were illegal in the first place. But McLaughlin overruled his dean. He also agreed to suspend classes at Dartmouth for a day-long teach-in on racism, sexism, and "human dignity."

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If McLaughlin expected the day off to detoxify the atmosphere and cool things down, it had the opposite effect. The teach-in was anything but a celebration of human dignity. Frenzied charges were leveled all around. As a local paper, the *Valley News*, reported it, "Some students wept and some occasionally yelled until forced by the rest of the group to quiet down." Senior David Schnabel could hardly restrain himself as he admitted that "as a white Anglo-Saxon male" he could not fully comprehend the plight of women and minorities at Dartmouth. Another student confessed in hushed tones that, until recently, he had been a homophobe.

All this would be fine if it was merely a feelgood occasion in which diversity was celebrated and compassion extended to those who felt victimized by prejudice. But the teach-in had a vicious undertone, exemplified by repeated calls for violence in South Africa. "Give the black nannies arsenic to poison the food of white children," urged one activist. In an ironic twist, students heard Seloka Phirwa, a chemistry research associate who is a member of the African National Congress, in the same breath defend violence and mayhem in South Africa and express profound reservations about the conservative students' "contempt for property rights" on the Dartmouth green.

The *Dartmouth Review* students became the object of the latent resentments of scores of students and professors. "What they did was identical to burning a cross," screamed Yves Denize, a junior. Biology professor Thomas Roos termed the *Review* action "brownshirt bullying on the order of *Kristallnacht,*" the night in 1938 when Nazis destroyed Jewish shops and synagogues. Calls for expulsion ricocheted around the room all day.

What was forgotten in all this was that no one was hurt in the shanty raid. The conservative students challenged a symbol; they did not trespass on the homes of blacks enduring real pain in South Africa. They may have scared a couple of female preppies. Knocking down the huts was, at worst, a foolish prank, on par with the rowdy rampages of fraternity brothers at Dartmouth every weekend. Yet the real crime of the conservative students was not nocturnal rowdiness but "racism and sexism."

The shanty incident confirmed, once again, that these are the bad words of our time. Unlike traditional epithets, they are ideological obscenities. You don't fault a man's parentage or his private sexual habits, you accuse him of harboring deplorable views about minorities and women. Of course the promiscuous use of terms like racism and sexism is devaluing their currency. But for now they carry a great deal of sting, and there are no equivalent epithets with which conservatives can retaliate.

Kangaroo Court

The teach-in set the emotional tone for a 20-hour trial of the 12 students by Dartmouth's Committee on Standards (C.O.S.), a quasi-legal body comprised of four professors, four students, and two deans. What followed was a proceeding worthy of Kafka, in which virtually all the students' due process rights were trampled en route to a verdict sufficiently draconian as to cripple the *Review* for ideological intransigence and mollify the turbulent left on campus.

Even prior to the hearing, two members of the committee pronounced judgment on the accused. Sociology professor Bernard Segal said, "All *Review* writers are evil." A student juror told a friend he could not wait to expel the conservatives from the college. Other committee members were obviously prejudiced: Dean Alex McCormick had, a few days before, been part of a crowd chanting obscenities at *Review* managing editor (now editor) Deborah Stone; another juror was a former editor of the campus daily, which had called for the expulsion of its journalistic competitors. But no one on the committee would step down. "We can be objective," they all declared with a straight face.

At America's universities, the substantive claims of liberal ideology are prosecuted under the guise of procedure.

The *Review* students wanted an open hearing that the press could attend; the committee insisted on a closed hearing and declared the proceedings confidential. The students were not allowed to have their attorney cross-examine witnesses testifying against them. They were not permitted to call as witnesses administrators who had earlier called for the dismantling of the shanties. According to a college employee who taped the entire hearing, all the procedural questions were decided by the C.O.S. in advance, even though the jurors left the room and pretended to consider each of the *Review*'s requests separately.

Transcripts of the trial, which the college unsuccessfully tried to keep confidential, suggest a situation very much like the film *Breaker Morant*, where the jury's mind is made up though judicial routines are observed. Presiding over the farce was Margaret Bonz, former affirmative action officer, now dean of freshmen, who has been frequently chastized in the *Review* for administrative ineptitude. Bonz and the C.O.S. overlooked or disguised contradictions in the testimony of the two women sleeping in the shanties, permitted them to converse during intervals even though they were supposed to be sequestered, and groped for ways to magnify the gravity of the *Review* students' offense: when one of the two women testified that her hut was undamaged and no *Review* staffer made threats to harm her, she was pressed by Segal to acknowledge that she did not receive explicit assurance that she would not be harmed.

Finally, mercifully, it was over and the decision was handed down; four students suspended indefinitely, eight for two terms. Even the different sentences betrayed the committee's motives. The four expelled students had nothing in common except that they were top officers and the future leadership of the *Dartmouth Reiew*. Two of the four were convicted of "malicious damage to property"

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and "use or threat of physical violence" even though they did not touch a tool or shanty or so much as speak to the two students inside.

The college penalty becomes particularly mystifying when one considers the benign approach taken toward a catalog of offenses committed by the political left on the campus over the last several years. When members of the Afro-American Society defaced college property, including Dartmouth's snow sculpture, to protest race relations on campus, they were hailed for their bold consciousness-raising gesture, and classes were cancelled in their honor. When a top Dartmouth administrator attacked and bit a *Review* staffer distributing his newspaper, he received a week's suspension, with pay. The shanty builders who violated town ordinances and college rules have been extolled by the deans for their magnificent idealism. The students who forcibly occupied the administration building got a college reprimand. Recently, 18 students resisted the dismantling of the shanties by college authorities, and one struck a policeman; the state was about to take action against them when President McLaughlin interceded. The state dropped the charges and the students were preparing for another slap on the wrist from the college judiciary committee.

The Old Double Standard

When I visited Dartmouth, I found town residents, students, and visiting alumni all very upset about the penalty against the conservative students. "Too severe," said Dan Rivers, a black freshman who strongly disapproved of the students' taking down the shanties. "It's not right," said Doug Greenwood of the Dartmouth *Alumni Magazine,* which is almost always servile to the administration. The C.O.S. action "seems strongly guided by political considerations," said Greenwood. Orton Hicks, an alumnus and former college vice president who is one of President McLaughlin's most avid supporters, warned that "the college is in a great deal of trouble if anything more harsh happens to the *Review* than happens to those who built the shanties, staged the sit-in, and resisted the removal of the shanties." Dartmouth "cannot condone a double standard in dispensing justice," Hicks said.

This double standard is clearly evident in the judiciary committee's statement that the reason for not punishing the Parkhurst occupiers was "in light of how their actions were motivated by strongly held convictions." Dean McCormick, secretary of the C.O.S., publicly vaunted the students' "commitment to ideals" and termed their seizure of his office "a moving experience." Decoded, all this means the students were exonerated because they were liberals with whose cause the administration is in sympathy. Certainly no one can accuse the *Dartmouth Review* of lacking "strongly held convictions."

The case of Dartmouth illustrates that much of the talk about free speech and due process and equal opportunity for all points of view is mere catalog jargon—it doesn't mean anything in practice. At America's universities, the substantive claims of liberal ideology are prosecuted under the guise of procedure. This happens routinely enough that it is no use calling it a deviation from academic liberalism; it is its very essence.

But such deception and chicanery has consequences. When at Dartmouth and elsewhere, professors and administrators proclaim their allegiance to impartial procedures, while weighting them to produce desired outcomes, they do not realize that to foreordain conclusions is to invalidate procedures, to call the whole system of operation into question. This is what has happened at Dartmouth. It is not something from which institutions easily recover.

Postscript: In response to pressure from Dartmouth alumni and conservatives in Washington, and concerns about a lawsuit filed by the *Review,* President McLaughlin recently overturned the sentences against the conservative students.

A new trial was scheduled. But it was largely a replay of the first one, and the 12 students were suspended once again. The shanty incident and its aftermath remain a testament to the character of liberalism on the American campus.

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COMPLETING THE REVOLUTION

Challenges For Conservatism After Reagan

GEORGE H. NASH

The 19th-century Italian nationalist Guiseppe Mazzini once remarked, "Ideas rule the world and its events. A revolution is the passage of an idea from theory to practice. Whatever men say, material interests never have caused, and never will cause a revolution." In 1986, the United States is living in the era of what some have called the "Reagan Revolution." Such a description, of course, is hyperbole. But the use of that overworked word "revolution"—in Mazzini's sense—is, it seems to me, precisely correct. In America since 1981 we have been witnessing the passage of an idea from theory to practice. That idea, that philosophy, is called conservatism.

We have entered the mid-afternoon of the Reagan Presidency. Although its terminus is more than two years away, conservatives are beginning to meditate nervously on the possible ephemerality of power. Will their revolution be permanent? Will it survive its namesake? Indeed, some wonder, how much of a revolution has it been?

At such times of impending transition, it is particularly useful to recover historical perspective, to reflect anew on where we have been and what we have become. For this reason, I wish to reexamine the roots of the current conservative resurgence—the principal configurations of thought and protest which have arisen to comprise the Reagan Revolution. My choice of words is deliberate, for conservatism in the United States in 1986 is fundamentally a movement of ideas. Like Mazzini, American conservatives since World War II have believed that ideas, not material interests, "rule the world and its events."

To comprehend contemporary American conservatism, then, we must first consider it as an intellectual phenomenon. And to do this, we need to turn not to events in the distant past but to currents which have developed and coalesced in the past generation.

In 1945, no articulate, coordinated, conservative intellectual force existed in the United States. There were, at the most, scattered voices of protest, profoundly pessimistic about the future of their country and convinced that they were a forlorn, isolated remnant, standing athwart history, yelling "Stop!" But gradually during the first postwar decade these voices multiplied, acquired an audience, and began to generate an intellectual movement.

In the beginning, there was not one right-wing renaissance but three, each reacting in diverse ways to the challenge from the left. The first of these groupings consisted of "libertarians" and "classical liberals," resisting the threat of the ever-expanding state to individual liberty, free market capitalism, and individual initiative. Convinced in the 1940s that America was rapidly drifting toward expanded state planning and socialism—what Friedrich Hayek called "the road to serfdom"—these intellectuals offered a powerful defense of free market economics that achieved some influence by the mid-1950s. From men like Hayek, Ludwig von Mises, Henry Hazlitt, and John Chamberlain in the 1940s and 1950s, to Milton Friedman and the Chicago School economists in the 1960s, to George Gilder, Arthur Laffer, and the "supply side" economists in the late 1970s and early 1980s, the libertarian conservatives have produced a sophisticated defense of free market capitalism and have exerted enormous sway over the American right. The Reagan Administration's policies of tax-cutting, deregulation, and encouragement of private sector economic growth (as opposed to government growth) are the direct product of this rich intellectual legacy.

Concurrently, and independently of the libertarians, a second school of non-liberal thought emerged in America in the first postwar decade: the "new conservatism" or "traditionalism" of such men as Richard Weaver, Peter Viereck, Robert Nisbet, and Russell Kirk. Shocked by totalitarianism, total war, and the development of secular, rootless, mass society during the 1930s and 1940s, the "new conservatives" urged a return to traditional religious and ethical absolutes and a rejection of moral relativism, which they felt had corroded Western values and produced a vacuum that was being filled by demonic ideologies and pseudo-religions. More Europe-oriented and historically-minded than the classical liberals, the traditionalist conservatives extolled the wisdom of such Eu-

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ropean thinkers as Edmund Burke and Alexis de Tocqueville and called for a revival of Christian orthodoxy, classical natural law pre-modern political philosophy, and mediating institutions between citizen and state.

Conservatism has become less theoretical and introspective and more interested in concrete issues of public policy.

Third, there appeared in the 1940s and 1950s a militant, evangelistic anti-Communism, shaped decisively by a number of ex-Communists and ex-Trotskyites of the 1930s, including Whittaker Chambers, James Burnham, Frank Meyer, and many more. It was reinforced also by a number of articulate anti-Communist exiled scholars from Eastern and Central Europe, including Gerhard Niemeyer, Stefan Possony, and Thomas Molnar. These former men of the left and their European emigre allies brought to the postwar right a profound conviction that the West was engaged in a titanic struggle with an implacable adversary—Communism—that sought nothing less than the conquest of the world.

Conservative Coalition

Each of these emerging components of the conservative revival shared a deep antipathy to 20th-century liberalism. To the libertarians, modern liberalism was the ideology of the ever-aggrandizing bureaucratic welfare state. If unchecked, it would become a totalitarian state, and destroy individual liberty and private property—the wellsprings of productivity and opportunity. To the traditionalists, liberalism was a disintegrative philosophy which, like an acid, was eating away at the ethical and institutional foundations of traditional society, creating a vast spiritual void into which totalitarianism would enter. To the Cold War anti-Communists, modern liberalism—rationalistic, relativistic, secular, anti-traditional, quasi-socialist—was by its very nature incapable of vigorously resisting an enemy on its left. Liberalism to them was part of the left and it could not effectively repulse a foe with which it shared so many underlying assumptions. As James Burnham put it, liberalism was essentially a means for reconciling the West to its own destruction. Liberalism was the ideology of Western suicide.

During the late 1950s and early 1960s, these three independent wings of the conservative revolt against the left began to coalesce. The movement found its first popular embodiment in the editor of *National Review,* William F. Buckley, Jr., who, apart from his extraordinary talents, personified each impulse in the developing coalition. He was at once a traditional Roman Catholic, a defender of the free market, and a staunch anti-Communist.

Politically, the postwar American right found its first national expression in Senator Barry Goldwater's campaign for President in 1964. From the perspective of 22 years, it is now clear that the 1964 election had three enduring consequences. It created the huge Democratic congressional majorities which permitted enactment of President Lyndon Johnson's Great Society program. It led to conservative capture of the Republican Party. And it created a national political figure in Ronald Reagan, whose eloquent television speech for Goldwater on the eve of the election led directly to his becoming a candidate for governor of California two years later.

It was not long after the 1964 election that a new impulse appeared on the intellectual-political scene, one destined to become the fourth component of today's conservative coalition: the phenomenon of "neoconservatism." Irving Kristol's definition conveys its essence: "A neoconservative," he says, "is a liberal who has been mugged by reality." According to another definition, a neoconservative is one who utters two cheers for capitalism instead of three. In any case, one of the salient developments of the past decade has been the intellectual journey of various liberals and social democrats toward conservative positions.

Many stresses have produced this migration. In part, neoconservatism may be interpreted as the recognition that good intentions alone do not guarantee good governmental policy: the actual consequences of liberal social activism in the 1960s and 1970s have often been devastating. Neoconservatism is also a reaction of moderate liberals to the polarizing upheavals of the 1960s and particularly to the rise of the New Left, with its tendency to blame America first for world tensions and its neoisolationist hostility to an American military presence abroad. Many neoconservatives, in fact, are former anti-Communist liberals of the Harry Truman-Hubert Humphrey-Henry Jackson wing of the Democratic Party who now find themselves bereft of a political home since the capture of their party by the McGovernites in 1972. The most famous such neoconservatives today are Irving Kristol, Norman Podhoretz, and Jeane Kirkpatrick; the principal neoconservative journals are *Commentary* and *The Public Interest.*

Rise of the New Right

American conservatism, as it has developed since World War II, is a compound of several diverse—and not always consistent—impulses. Libertarianism, traditionalism, and Cold War anti-Communism, fortified by the ideas of a rightward migration of disillusioned liberals, constitute the intellectual framework of the Reagan Revolution.

Thus far, the focus has been on the intellectual components of contemporary American conservatism. But it is not simply a movement of ideas, and this survey would be incomplete if it did not identify one other crucial constituent in the conservative coalition of the 1980s: the "New Right." The New Right is a grass roots movement of protest by aroused citizens, many of them religious fundamentalists and evangelicals. While New Right activists generally share the foreign policy and economic perspectives of other conservatives, their primary interest lies in social and moral issues like abortion, pornography, prayer in the

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public schools, the Equal Rights Amendment, school busing, drug abuse, and crime. Convinced that American society is in a state of moral decline, and that secular humanism—in other words, modern liberalism—is the cause of this decay, the New Right populists are seeking to use the power of government to help protect their families, neighborhoods, and traditional moral values.

The New Right is closest in its concerns to traditional conservatism. But the traditionalist conservatives of the 1940s and 1950s were academics in revolt against rootless, mass society, while the New Right is a revolt by the masses. And whereas the conservative movement since 1945 has had its focus on national issues and politics, the New Right is essentially a product of traumas experienced by citizens in their everyday lives. The preoccupations of the New Right are not those of the supply-side economists or anti-Communist global strategists. They are the concerns of anguished parents who discover that their children are being exposed to drugs in their neighborhood school; that they are being taught that biblically proscribed behavior is just another "lifestyle"; or that standards of right and wrong are merely "situational" and "relative."

To understand the conservatism of the Reagan Administration, it is useful to perceive it as a product of these five distinct impulses sketched here: libertarianism, traditionalism, anti-Communism, neoconservatism, and the New Right. Ronald Reagan's success as spokesman for conservatism derives from his embodiment of all these impulses.

As these disparate elements have fused into a political and intellectual force, we have begun to witness the passage of an idea from theory to practice. In this context, several developments of the Reagan era deserve comment.

Perhaps the most immediately noticeable feature of conservative intellectual activity in the past five years is that there has been so much of it. The publication of conservative books, essays, articles, and syndicated columns—already substantial in the 1970s—has attained the proportions of an avalanche. Thirty-five years ago Lionel Trilling asserted that liberalism was the "sole intellectual tradition" in the United States; today serious students of American culture and public affairs could devote every waking hour to the writings of conservative scholars and analysts.

This cascade of conservative literature is intimately linked to a second important recent trend: the development of a burgeoning network of conservative media, foundations, and research centers. The Heritage Foundation, the Hoover Institution, and the American Enterprise Institute each have close ties to the Reagan Administration. There is the Ethics and Public Policy Center, the Manhattan Institute for Public Policy Research, the Center for Strategic and International Studies at Georgetown University, the Shavano Institute at Hillsdale College, the Committee for the Free World, the Institute for Educational Affairs, and literally dozens more.

Since 1973, the right has spawned at least half a dozen public interest law firms, and a number of conservative magazines of ideas: *Policy Review, Hillsdale Review, Claremont Review of Books, Persuasion at Work, Continuity, This World, The National Interest,* and others. Then there are, of course, the continuing contributions of *National Review,* which just celebrated its 30th birthday; *Human Events,* which recently celebrated its 40th; and *The American Spectator,* which will soon turn 20. Without the ideas, the elan, and the personnel that these institutions have provided, the Reagan Administration as a conservative administration would not exist.

From Thought to Deeds

To a historian, the proliferation of such institutions suggests two things. The first, most obviously, is prosperity. No longer are conservative intellectuals a pitifully scattered group, the pariahs of the academic world. Second, it suggests continuity and future survival. The existence of these universes of energy demonstrates that the conservative phenomenon is not some passing spasm, but is likely to contribute to our public discourse for some time to come.

The New Right is essentially a product of traumas experienced by citizens in their everyday lives.

In the identification and cultivation of legal talent through the medium of the Federalist Society, for example, the conservative movement is directly contributing to what may yet be the most enduring legacy of the Reagan Revolution: the reorientation of the American judiciary.

With intellectual maturity has come a perceptible change in the texture and focus of recent conservative literature. Conservatism has become less theoretical and introspective and more interested in concrete issues of public policy. Largely gone is the restless quest for self-definition and philosophic coherence that has animated so much conservative writing since World War II. Indeed, if there has been a characteristic mode of conservative expression in the past five years, it has not been the rarefied tome of political philosophy or cultural criticism; it has been the policy study. We have entered the era of applied conservatism: the transition from theory to practice.

As this has occurred, Washington, D.C.—once the forbidden city for American conservatives—has become instead an alluring Mecca, bustling with what Theodore White has labeled "action intellectuals," proponents of what the *Washingtonian* magazine recently called "idea power." If the Reagan Presidency accomplishes little else, it will have effected, in the words of a Heritage Foundation official, "the credentialing of a new generation" of American conservatives, prepared by experience in this conservative administration to serve at higher levels. As the network of conservative institutions expands and interlocks, as the "third generation" of young activists finds its niche on Washington terrain, we are witnessing the emergence of something barely conceivable a decade ago: a conservative governing class. It is one more indication that the American right is here to stay.

Another very significant development is the alliance that conservative intellectuals and institutions are building with

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politicians who share their ideological orientation. This has long existed on the left. From the New Deal of Franklin Roosevelt to the New Frontier of John Kennedy to the Great Society of Lyndon Johnson, academe has worked hand in hand with the American left. But since the early 1960s, the steady "intellectualization" of our politics has helped to transform the American right as well.

We are witnessing something barely conceivable a decade ago: the emergence of a conservative governing class.

About 32 years ago Senator Robert Taft was asked whether he had read Russell Kirk's book *The Conservative Mind,* one of the formative works of the postwar conservative renaissance. No, he responded: he was a politician, not a philosopher. Today the Republican Party is assiduously cultivating the theoreticians and philosophers, and some of its candidates for President in 1988 are already publishing articles in conservative journals. This is a remarkable change.

Lessons of the Reagan Revolution

In the mid-1980s, the historical trends identified here have reached a climax. This is the moment of conservative opportunity, as principled conservatives have gained access to executive power. No observer of this phenomenon can fail to detect a feeling of having arrived among those who once felt beleaguered and ignored. It is a feeling conveyed by Jeane Kirkpatrick's recent remark about the political opposition: "The Democrats are in a real bind. They won't get elected unless things get worse, and things won't get worse unless they get elected."

Yet it is increasingly apparent that despite its new sense of legitimacy, the conservative movement in 1986 is afflicted by a spreading sense of unease. One year into the second term of the most receptive administration in recent history, some conservatives are asking: "What has been accomplished?" The sanctity of the status quo has been undermined, but have its contours been altered? This mood is accentuated by the sobering awareness that Ronald Reagan—the man who has held the five-part conservative coalition together—will be leaving office in three years and that no heir apparent has yet been found.

These sentiments reflect the collapse of the American right's perhaps exaggerated expectations of 1981. Consider that when Franklin Roosevelt became President in 1933, the United States Senate contained 59 Democrats and only 37 Republicans. The House of Representatives was even more overwhelmingly Democratic: 312 to 123. So subservient was Congress to F.D.R. during the first hectic days of the "Roosevelt Revolution" that some New Deal legislation was enacted virtually without debate.

These statistics help explain why a "Reagan Revolution" of similar dimensions has not occurred. Unlike Roosevelt, President Reagan has never enjoyed unquestioned mastery of Congress. He confronts today a political opposition that—however dispirited at first—has not been routed from the corridors of power. Nor have his opponents lost their influence in such crucial sectors as the media, the universities, and the judiciary. For all the euphoria generated by the 1980 election returns, principled conservatives entered Washington in 1981 a minority among the policy-making elite. As a result, the Reagan Administration has been obliged to struggle incessantly—even within itself—to implement just a portion of the conservative agenda.

This is not to say that the struggle has always been waged effectively. Mistakes have been made and opportunities lost. While it is too early to write a history of the Reagan Administration, its experience thus far has demonstrated two axioms. First, if you desire to reshape the future, do not overpopulate your ranks with managers of the status quo. "People," as Edwin Feulner has said, "are policy." Second, if ever there is a time for daring, it is the first six months of a Presidential term. This is the period when popular forebearance is greatest and constraints on Presidential initiatives are weakest. As Clement Attlee once put it, strike while your mandate is hot.

Challenge of the Future

The current conservative malaise goes deeper than the epiphenomena of legislative and bureaucratic maneuvers. Within the movement itself, certain tactical and even philosophic tensions persist, threatening at times to rupture the coalition. To some on the right, the neoconservatives seem too willing to accommodate to the New Deal and the welfare state. To conservatives preoccupied with economic and geopolitical issues, the concerns of the largely Christian New Right seem of secondary importance and limited political appeal.

For most of the post-1945 period, American conservatism has been an intellectual movement attempting to influence politics by colonizing and educating the "new class" elite. The New Right, however, is essentially an anti-elitist attempt to influence our politics from below. These two approaches are not necessarily incompatible, but it remains to be seen whether the Republican Party will be hospitable to both of them in the post-Reagan era.

Lurking in the background is another concern: that conservatism in the 1980s has been reduced to politics, deprived of its ethical vision, and deflected from its larger mission of cultural renewal. It is an apprehension worth meditating upon. For if ideas have consequences, then candor compels us to recognize that conservative ideas are not the only ideas in circulation in 1985. In the past generation, significant sectors of America have not moved to the right but to the left, even as the conservative resurgence has gained momentum. Particularly in the area of culture and "lifestyles"—of drug use, sexual mores, acceptance of pornography, and tastes in popular music and literature—popular attitudes have shifted noticeably toward permissiveness, and recent signs of reversal seem marginal.

After all, if the conservative understanding of Communism were truly dominant in America today, would there

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have been a summit conference in Geneva? Would there be a so-called sanctuary movement of increasing proportions in the churches? Would there be exchange programs under which supposedly typical Soviet citizens ride down the Mississippi River on steamboats, visit farms and Olympic wrestling coaches, and proclaim their devotion to world peace?

The books and articles roll off the conservative presses, the networks of conservative influence multiply, the institutionalization of the conservative impulse proceeds; yet in many parts of Middle America, and particularly among the culture-forming, value-shaping institutions of our society—the media, the mainstream churches, the popular news magazines, the organs of art, music, and entertainment—the voice of organized conservatism remains weak. One is left to contemplate the irony that the conservative intellectual movement—so anti-establishment and anti-Washington in its origins—is now better organized in our nation's capital than it is in the country at large.

If this analysis of the development of the American Right is correct, two final observations seem warranted. First, we would do well to remember that although the conservative movement since 1945 has been an intellectual movement, it has not been an intellectual movement in a cloistered, academic sense. Its goal from the first has been not merely to understand the world but to change it. To fulfill its purpose, it must succeed in the arena of politics, not only in the realm of conferences, seminars, and academic quarterlies.

At the same time, politics is not the only sphere in which the battle of the intellect must be fought. More than half a century ago Ortega y Gasset remarked, "The simple process of preserving our present civilization is supremely complex, and demands incalculably subtle powers." What is just and admirable about the civilization of America and the West? Why is this civilization worth defending? Why is a regime of liberty superior to the tyrannies that today oppress so much of the earth? The answers to these questions may be self-evident for some, but for far too many people—including many Americans—they are not. The successful defense of our civilization is not primarily a task for policymakers. Politics is only the art of the possible; it is up to other conservatives (intellectuals, clergymen, and opinion-molders of all kinds) to expand the sphere of political possibility and to refine the public sentiment which will make conservative statesmanship successful. Neither vocation—the political or the scholarly—should be neglected; there is room, there is need, for both.

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WHEEL OF FORTUNE

Stopping Outrageous and Arbitrary Liability Verdicts

RICHARD K. WILLARD

The current crisis in liability insurance is the symptom of a malfunctioning tort system. Devastating increases in premium rates—which have risen in recent years by 200 to 500 percent, sometimes by 1,000 percent or more—are the result of decisions by activist judges who have moved tort law away from its traditional underpinnings, triggering an explosion in litigation, courtroom costs, and the size and number of damage awards.

The expansion of tort liability penalizes virtually every sector of American society—manufacturers, doctors and other professionals, small businesses, municipal governments, and nonprofit organizations. Ultimately, the consumer must pay higher prices for goods and services. Twenty percent of the cost of a stepladder, for example, goes to pay for liability insurance, lawyers, and related costs. Sometimes insurance coverage is unavailable at any cost, with the result that useful goods and services can no longer be offered.

In 1984, Connaught Laboratories discontinued production of its DPT (diphtheria, pertussis, typhoid) vaccine for children, because it could not obtain liability insurance. The country was threatened with a possible shortage of this important vaccine (only one manufacturer remained) until an insurer was found several months later. Following an increase in the cost of insurance, the price of DPT vaccine escalated from 11 cents to $4.50 a dose in only three years.

The small business and professional communities are hardest hit by the crisis in tort law. Typically, small businesses and doctors' offices do not have the income or capital base to pay immense insurance premiums for limited coverage, or to self-insure when coverage is unavailable. Frequently their only choice is either to close down or to "go bare." Even large companies such as Manville and A.H. Robbins have filed for bankruptcy because of tort liability claims.

Some of the current increases in liability insurance premiums are undoubtedly attributable to falling interest rates. Premiums were actually lowered during the late 1970s and early 1980s, as insurance companies vied for more dollars to invest at the high interest rates then in effect. Of course, no one would suggest that we should return to high inflation and high interest rates in order to reduce liability insurance premiums.

Moreover, lower interest rates cannot explain the insurance industry's underwriting losses of $21 billion in 1984 and $25 billion in 1985, the industry's worst year since the San Francisco earthquake of 1906. The underlying causes of the crisis are changes in jurisprudence—a move toward no-fault liability, an undermining of traditional principles of causation, the misuse of scientific evidence, and the awarding of damages that bear little proportion to injuries actually suffered.

Tort law traditionally has sought to place liability only on those actors whose wrongful conduct actually caused an injury. The idea was both to deter wrongful conduct and to make sure that victims received proportionate compensation for wrongs done to them. But beginning in the early to mid-1960s, courts embraced theories of societal insurance and risk spreading that ignored these principles and in effect reached into the "deep pockets" of insurance companies, even when their insurees were not at fault.

One of the most explicit statements of no-fault theory can be found in the decision of the New Jersey Supreme Court in *Beshada v. Johns-Manville Products Corporation* (1982), an action for personal injury and wrongful death brought against manufacturers of asbestos products. The court expressly denied defendants the opportunity to raise a "state of the art" defense; it held that even if the danger at issue was scientifically unknowable at the relevant time, defendants nonetheless were still liable for having failed to warn of an unknowable risk. "Manufacturers and distributors," said the court, "can insure against liability and incorporate the cost of insurance in the price of the product." The likely increase in premiums to compensate for unanticipated risks was "not a bad result."

As the tort system moves away from fault, it increasingly

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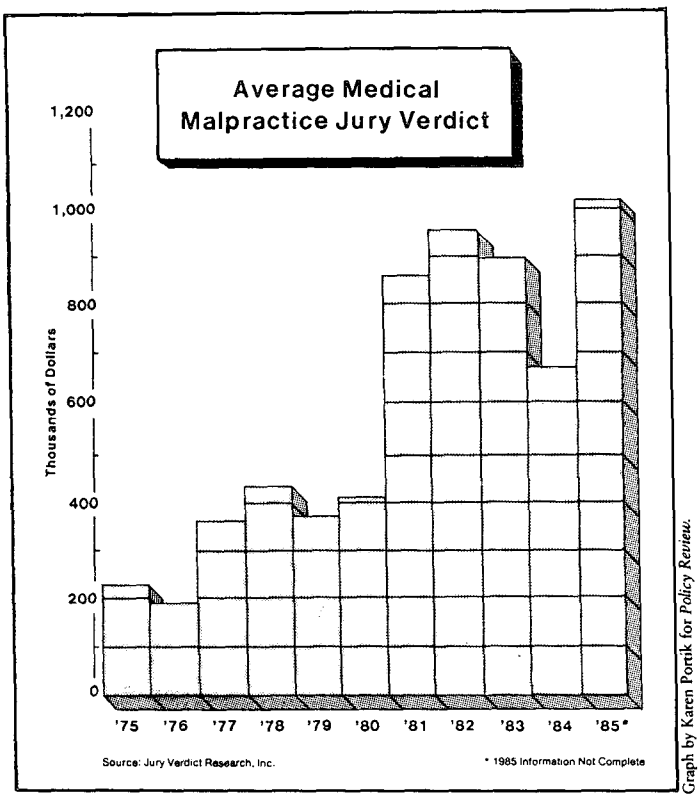
imposes liability upon persons and companies that have done nothing wrong. This has been accomplished in a variety of ways: by directly reducing or even eliminating the fault requirement; by defining new duties that effectively create fault where no fault existed previously; and by engaging in after-the-fact analyses that automatically find fault wherever there has been an injury. The ultimate effect of these developments has been the same—to shift liability for compensation to "deep pocket" defendants who have the resources to compensate plaintiffs generously.

A recent and almost classic example of such compensation-oriented liability findings is the California Supreme Court's decision in *Bigbee v. Pacific Telephone & Telegraph Company* (1983). In that case, a man was injured when an allegedly intoxicated driver lost control of her car, veered off the street into a parking lot, and crashed into a telephone booth in which the man was standing. Suit was brought against the companies responsible for the design, location, installation, and maintenance of the telephone booth. The Court, in an opinion written by Chief Justice Rose Bird, found that the risk that someone might veer off the road and crash into the telephone booth was not unforeseeable as a matter of law. The Court also determined that it was of no consequence that the harm to plaintiff came about through the negligent or reckless acts of an allegedly intoxicated driver. In a concluding footnote, Chief Justice Bird stated that "there are no policy considerations which weigh against imposition of liability" against the defendants, and referred specifically to "the probable availability of insurance for these types of accidents."



The facile assumption that expansive no-fault liability can be readily paid for by insurance companies is proving tragically false as sources of such insurance dry up. More fundamentally, the elimination of fault as a basis of liability removes the distinctive justification for the tort system in deterring wrongful conduct. Instead, tort law is becoming an off-budget program for compensating the needy, administered by judges and juries without the constraints of the legislative process.

Undermining Causation

Even where there is still an effort to identify fault, the courts have been undermining traditional principles of causation. The concept of "proximate cause," which requires a reasonable relationship between a given cause and effect, has been challenged through a variety of questionable practices and innovations.

One such development is the misuse of the old common law principle of joint and several liability. This was intended to hold all parties which contributed to an injury responsible for the consequences of their actions. In recent years, joint liability has been increasingly used for a different purpose: making a defendant with only a limited role in causing an injury bear the full cost of compensating the plaintiff, even when the plaintiff was largely responsible for his own injury. The result is a highly inequitable treatment of defendants, especially those with the supposedly infinite resources of extensive insurance coverage.

The joint liability doctrine has been particularly devastating for municipal governments and taxpayers. In *Sills v. City of Los Angeles* (1979), a 16-year-old girl was severely injured when the drunk driver of the car in which she was riding ran a stop sign and was broadsided by another motorist. The city was found to be 22 percent liable due to poor visibility of the street lane lines (regardless of the fact that it was raining that night). The negligent driver had very little insurance and was therefore, to a large extent, judgment proof. Unless the jury award of $2.16 million is overturned on appeal, the city will pay nearly all of it, thus becoming the unwilling insurer for the one who committed the more egregious error. Its assessment is not based upon fault, but upon its ability to pay the judgment.

Another problem—increasingly occurring in toxic tort cases—is the reliance by judges and juries on noncredible scientific or medical testimony, studies, or opinions. It has become all too common for "experts" or "studies" on the fringes or even well beyond the outer parameters of mainstream scientific or medical views, to be presented to juries as valid evidence from which conclusions may be drawn.

The reliance on noncredible medical testimony is best illustrated in *Rock v. Alfred M. Lewis, Inc.*(1986). An Orange County, California Superior Court jury awarded $650,000 to a woman who had a family history of breast cancer, after hearing testimony from a doctor that her breast cancer was caused by a blow suffered in a freeway crash. The crash occurred 14 months prior to discovery of the cancer.

The use of such invalid scientific evidence (commonly

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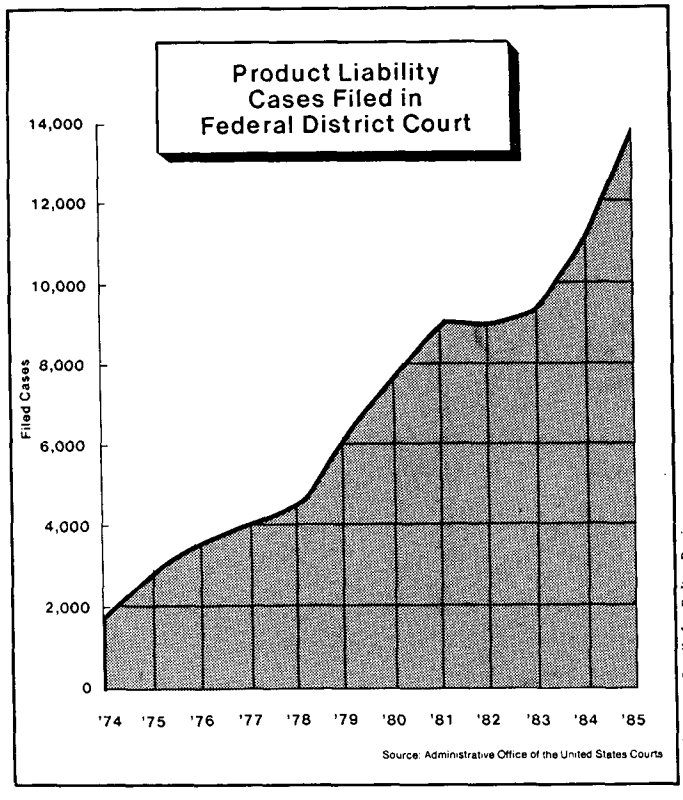
referred to as "junk science") has resulted in findings of causation which simply cannot be justified. This has led to a deep and growing cynicism about the ability of tort law to deal with difficult scientific and medical concepts in a rational way.

There is one common attribute in the developments arising from the movement away from traditional tort law doctrines. The defendants to whom liability is shifted invariably happen to be those with the deepest pockets.

Skyrocketing Awards

The increasing eagerness to reach into "deep pockets" has been accompanied by an explosive growth in tort damages awards over the last decade. According to Jury Verdict Research, Inc., the average medical malpractice jury verdict increased from $220,018 in 1975 to $1,017,716 in 1985, a 363 percent hike. Average product liability jury verdicts during this same period rose from $393,580 to $1,850,452.

Much of this increase can be attributed to a remarkable growth in verdicts above $1 million. In 1975, there were three million-dollar medical malpractice verdicts and nine million-dollar product liability verdicts. In 1984, the numbers had grown to 71 million-dollar medical malpractice verdicts and 86 million-dollar product liability verdicts.



Graph by Karen Portik for *Policy Review*.

If these million-dollar verdicts are deleted, the increase in average verdicts is reduced sharply. For example, the increase in the average medical malpractice jury verdict from 1975 to 1985 drops to 26 percent and the comparable average product liability verdict jury increase drops to 87 percent. This clearly suggests that the explosion in damages has come largely at the high end of the awards scale.

Non-economic damages appear to be a major factor in the increase in damage awards. Compensation for intangible injuries such as pain, suffering and mental anguish, as well as punitive damages, are inherently open-ended and subjective, easily susceptible to dramatic inflation, and often unreasonably in excess of the actual "harm" suffered by the plaintiff. In a case now pending before the Supreme Court, *Aetna v. Lavoie* (1985), Aetna was found to have acted wrongfully in paying only $1,580 on a health insurance claim of $3,320. The Alabama Supreme Court subsequently upheld the jury's award of $3.5 million in punitive damages.

A preliminary study by the Rand Corporation's Institute for Civil Justice indicates that the average punitive damage award in Cook County, Illinois, increased from $63,000 in 1970-1974 to $489,000 in 1980-84. In personal injury cases in the same county, the average punitive damage award rose from $40,000 in 1970-74 to $1,152,174 in 1980-84.

This explosion in damage awards, particularly in the case of non-economic damages, is vastly in excess of the rate of inflation over the comparable period. Tort damage awards have suddenly soared in the United States without any apparent legal justification.

With the increase in damage awards and the changes in jurisprudence that make it easier to reach into "deep pockets," it is not surprising that courts have been clogged with liability suits. The number of product liability cases filed in federal district courts has grown from 1,579 in 1974 to 13,554 in 1985. State courts have seen a comparable increase in the number of product liability claims.

A similar trend can be found in medical malpractice, where claims filed against physician-owned companies rose from 10,568 in 1979 to 23,545 in 1983, a 123 percent increase in four years.

Lawyers have been the primary beneficiaries of this litigation explosion. A study by the Institute for Civil Justice found that attorneys' fees consumed 63 percent of all damage awards in liability cases from asbestos-related injuries. A typical court case cited in the study resulted in a total cost of $380,000. Of this, $125,000 would be for legal fees paid by the defense, $114,000 in legal fees paid by the plaintiff. Cases settled before trial provide the same breakdown. Should the cost of settling all asbestos-related claims ultimately reach the $40 billion expected by some experts, attorneys' fees could account for $24.2 billion of the total.

The asbestos litigation is not unique. Plaintiffs' attorneys typically work on a contingency fee basis. They get between 30 to 50 percent of the client's award if they win and nothing if they lose. This does not include expenses, court costs, or defendants' attorneys' fees. A contingency fee may be reasonable when the plaintiff's award is moderate, but it is difficult to justify at the high level of current verdicts. Something is terribly wrong when attorneys receive fees in the hundreds of thousands of dollars for limited work. This is particularly true in mass liability cases, where the groundwork for liability has been laid in previous cases by other attorneys. Often the fees bear no

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relationship whatsoever to the work of the plaintiff's attorney.

The Need for Tort Reform

The costs of the explosion in tort liability are immense and have produced a strong demand for government action. However, we must be careful not to support counterproductive responses to the problems. In particular, we should avoid government indemnification as a way to satisfy judgments. If the underlying problems of tort law are not answered, judgments will only continue to grow and presumably will accelerate when plaintiffs focus on the government's seemingly infinite ability to pay. The government's pockets may be considered deepest of all, but those pockets must be replenished by increasing the burden on taxpayers. Further, substituting the government for business would remove businesses' financial interest in designing products with the safety of the user in mind. Such an approach may cure some symptoms, but it leaves the disease.

We must attack this problem at its roots by seeking to reform tort law. Appropriate legislation at the state and federal levels can curb the excesses of the tort system and restore a measure of balance. The following kinds of legislation would have this sort of beneficial effect:

- Return to a fault-based standard for liability.
- Eliminate joint liability in cases where defendants have not acted in concert.
- Base causation findings on credible scientific and medical evidence and opinions.
- Limit non-economic damages (such as pain and suffering, mental anguish, or punitive damages) to a fair and reasonable maximum dollar amount.
- Reduce awards in cases where a plaintiff can be compensated by certain collateral sources, to prevent a windfall double recovery.
- Provide for periodic (instead of lump-sum) payments of damages for future medical care or lost income.
- Limit attorneys' contingency fees to reasonable amounts on a "sliding scale."
- Encourage use of alternative dispute resolution mechanisms to resolve cases out of court.

We also need to change the attitudes of our courts. Activist judges, not legislatures, have made most of the changes in tort law doctrine that have produced the liability crisis. Juries have been conditioned over the years by judges and plaintiffs' attorneys to believe that multi-million dollar non-economic damage awards are reasonable and impose no undue burden on defendants and their insurers. Judges and juries must recognize that civil damage awards are not a free lunch.

It is also important to keep in mind that this crisis in the civil justice system has been developing over many years and has many aspects. There is no panacea. We must work together in the state and federal courts, in Congress, and in the state legislatures to deal with this crisis effectively.

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THE GREAT TRAIN ROBBERY

Twenty Years of Mass Transit Subsidies Have Bilked Taxpayers

TONY SNOW

It has now been 23 years since the federal government got into the urban mass transit business. During this period, it has forked out more than $43 billion to metropolitan rail and bus lines. Roughly four-fifths of the money has gone for capital expenditures—primarily for construction of rail systems and for buying buses and rail cars—with the remainder consisting of operating subsidies for transit systems in chronic deficit. The result has been a colossal failure of social engineering, and one of the most scandalous abuses of the taxpayer in our nation's history.

Like so many projects by the federal government, subsidies for mass transit have failed to help their intended beneficiaries. Ridership on public transit has declined by 11 percent since the federal subsidies began—from nine billion annual trips in 1963 to about eight billion in 1985. Today public transit accounts for only 3.5 percent of all trips in urban areas, and the public has fled mass transit in the one market federal programs were supposed to serve best—the rush-hour commute. Just under nine percent of all commuters used public transit in 1978. That figure has fallen to six percent since then, even though the public subsidy per transit ride has increased from five cents to 27 cents.

Meanwhile, a substantial portion of the federal funding went to transit systems whose construction and design problems would make even a defense contractor blush with shame.

New York has spent nearly 20 years building a tunnel that connects Manhattan's Upper East Side with an urban moonscape of empty warehouses and railyards in Queens. The 63rd Street tunnel was supposed to cost $154 million to build and was scheduled to begin service a decade ago. Instead, it has cost taxpayers $800 million so far, and probably will gobble up another $250 million to $300 million before its completion. Experts now expect the tunnel to carry about 220 passengers a day. For the amount the public will spend on the tunnel, the government could have bought each potential rider of the system 45 to 50 Rolls Royces.

Miami's 20.5-mile Metro Rail system cost $1 billion to complete ($210 million above budget), opened two years late, and carried about 16,500 passengers a day during its first year of service. The city could have purchased each passenger a $45,000 condominium for the cost of building the system—and would have been able to throw in a subcompact car with the first year's operating losses of $100 million.

Designers of Washington's Metro, a subway/heavy rail system, said the 101-mile project would be ready for full operation in 1979, and would cost about $2.5 billion to build. So far, the 60 miles in service have cost taxpayers $6 billion to complete, and most experts agree that it will take another $6.5 billion to finish the job. For the Metro's capital expenditure so far, Washington could have purchased 55,000 to 60,000 buses or a BMW for each of its daily passengers—and that's not taking account of annual operating deficits, which could reach $1 billion a year by 1990.

Detroit has spent $210 million so far for an incomplete People Mover system, and has been forced to cut back on bus service in order to finish building the elevated rail project. For the same $210 million, Detroit could have purchased 1,000 new buses, 12,000 vans for transporting the poor, elderly, and handicapped, or a new subcompact auto for every low-income household that now lacks a car.

The federal government first got involved in mass transit in the early 1960s, when Congress appropriated slim sums for bus lines as part of the housing budget. Lyndon Johnson formalized that role in 1964 by signing the Mass Transit Assistance Act, which was designed to bail out some struggling urban transit systems with grants for capital improvements. The authors of the legislation didn't want to pay the operating expenses (salaries, maintenance, marketing, security, etc.) for transit systems; they only wanted to make it easier for cities to purchase needed mass transportation hardware, like buses and trains.

They knew that ridership on mass transit was declining almost everywhere—nationwide ridership fell from 24 billion annual rides in 1947 to about nine billion in 1963—and that transit companies were folding by the dozens, especially in smaller towns, while big city systems had

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begun to feel the pinch of unusually small profit margins. They also knew that 1963 marked the first year that the public transit industry as a whole had been unable to cover its operating costs with passenger fares.

Nevertheless, they believed that public-sector monopolies could succeed where private-sector monopolies had been failing, without making significant changes in the way transit systems conducted their business. This was an extraordinary belief, given the changing economics of housing and transportation. Transit agencies for decades had operated as if every city were New York, running their bus or train systems like spokes from a wheel hub. But New York no longer provided a sensible model for most cities. People across the country had moved from central cities and nearby exurbs to suburbs far from the "spokes" on the transit route maps.

Populations that once had been concentrated near downtowns now were dispersed in outlying areas. As a result, "travel volumes"—the number of commuters who used the old radial routes during rush hour—declined dramatically, and many systems no longer carried enough passengers to make a profit from a "traditional" bus route, let alone a rail line, which required twice the travel volume to break even.

As metropolitan areas began to sprawl, and suburban "nodes"—shopping/office/business/recreation centers—began to replace old downtowns, workers stopped working in cities, and began increasingly to work in the suburbs. Since few transit agencies were flexible enough to provide service for these "lateral commutes," people had to find an alternative.

The family car was the answer. Highway traffic volumes increased twice as rapidly as urban populations throughout the 1940s and 1950s—a trend that accelerated further after Congress approved money in 1956 for the Interstate and Defense Highway System. Cheap gasoline, improved highway systems, and affordable automobiles made it simpler and more economical to use the family car than to wait for the next bus or train. Personal automobiles quickly surpassed all other forms of transit as Americans' primary means of getting around.

Nevertheless, Congress thought it could reverse these trends by encouraging cities to build new bus and rail lines. Most "experts" favored flashy rail systems—in essence, rail-bound airplanes without wings—modeled after Japan's bullet trains. They thought commuters would find the vehicles irresistible because they would have the ability to zip riders from stop to stop more swiftly and comfortably than, say, a 1963 Bel Air. "The greatest felt needs at the present time," said the Fitch report, a document prepared by the Institute of Public Administration for the Kennedy Administration, and an important source for justifying federal participation in local mass transit, "are for system improvement, modernization and extension of present rail rapid-transit systems and construction of several new ones, and facilitation of bus operation and replacement of obsolete buses. . . ."

In other words, Congress wanted to spend money modifying Americans' behavior. The reasons for this were as much aesthetic as anything. Planners wanted to reshape the American landscape. They wanted to "modernize" the cities by turning every town of any consequence into a miniature Manhattan, teeming with gleaming skyscrapers linked by futuristic rail systems. The transit lines were the key element in the plan. Then people would come back to public transportation; they would reverse the decades-long flight to the suburbs. Smoky cars and concrete highways would give way to glass towers, monorails, and other monuments to the genius of modernity.

Uncle Sam's Generosity

Federal involvement in mass transit was institutionalized with the creation of the Urban Mass Transportation Administration (U.M.T.A.) under President Johnson in 1968. But like so many Great Society programs, the most dramatic expansion took place under Presidents Nixon and Ford. Washington's share of new construction expenditures rose from 25 percent in 1964 to 80 percent in 1974. In 1974, the federal government began picking up half the tab of operating budgets as well.

These provisions make most new systems "cost free" for cities, since state governments generally pick up a large portion of the remaining construction and operating expenses. The result is that cities pushed for expensive rail systems they would never have built if residents had to come up with the money themselves. Now, with much of the equipment underused, the cities are left with unnecessary and very expensive capital stock, not to mention salaries for drivers and other employees who work less than eight hours a day.

Miami could have bought each passenger a $45,000 condominium for the cost of building its Metro Rail system—and could have thrown in a subcompact car with the first year's operating losses.

Congress also has built in a bias toward expensive proposals. It agreed to pay 100 percent of the cost of new buses, for instance, but refused to pay for the rehabilitation of older vehicles. And it encouraged cities to plan and build ambitious rail systems by slashing subsidies to those that didn't.

For example, U.M.T.A. cut the federal portion of Houston's trans-planning budget for $105 million to $5 million in 1982, after local voters rejected a $2.3 billion bond issue for a rail system. The local vote perplexed many in Washington, including Senator Lloyd Bentsen (D-TX), who reportedly supported the project not because it made any particular sense, but because it meant that billions of federal dollars would be going to Houston rather than somewhere else.

This incentive structure dramatically changed the mass transit industry in many ways that many cities have since

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come to regret. Between the 1920s and the 1960s, not a single city in America built a light rail (trolley) system, and only one (Cleveland) completed a heavy rail system. There was a good reason for this: rail systems are incredibly costly, both to build and to operate, and during this period dozens of rail systems were going out of business. But since Uncle Sam's entry into the industry, six cities have built light rail systems, six have built heavy rail systems, and 21 cities are getting money either to plan or build rail lines of some sort.

Unfortunately, many of the cities that were "lucky" enough to get money for new transit systems have begun to curse their good fortune. Mass transit for them has become an unbearably costly dream.

Detroit's downtown People Mover, which was supposed to begin operations this year, already has exceeded its original $137 million cost estimate by $87 million, primarily because of poor design and construction. Every curved portion of the track—which, supported by concrete columns, looks like an amusement park monorail—must be replaced because the cables that are supposed to provide structural integrity for the track have ripped through their restraining walls. Many other beams must be patched up or replaced because they have begun cracking. Altogether, 132 of the system's 178 beams have been found defective in one way or another.

Detroit's construction disasters pale by comparison with those of New York City's 63d Street Tunnel. According to the U.M.T.A. auditor general's report last year, one section of the main tunnel was riven with "a significant crack" that jeopardized the structure's integrity. Auditors also reported that transit officials had failed to test nearly 200,000 cubic yards of poured concrete. Much of that concrete, U.M.T.A. noted, was too weak to meet specifications, and the walls in many sections were poured improperly. If the tunnel ever is to carry trains and passengers, those sections will have to be rebuilt or repaired.

In auditing the 63rd Street project, U.M.T.A. could find no record of the receipt or use of 48,000 cubic yards of concrete for which Uncle Sam had been billed. This doesn't mean that someone actually walked off with the stuff; only that no one knows what happened to the missing concrete, which would be enough to build 45,000 backyard patios or fill two-thirds of Giants Stadium. These kinds of "oversights" have led to a series of state and federal grand jury investigations into the behavior of project managers, contractors, and subcontractors.

You'd think that Congress would have called for intensive investigations into mass transit fraud by now, in hopes of stopping questionable construction practices and saving taxpayers' money. But Congress not only has ignored these failures; if anything, it has become even firmer in its support of public mass transit, which has been a boon to both unions and construction businesses. Republicans as well as Democrats have long wanted to keep pouring the gravy.

Perhaps the best example of *Railpolitik* came during the dying days of President Ford's 1976 campaign. U.M.T.A. administrator William Coleman sent letters to many mayors committing the federal government "in principle" to providing enormous sums for future mass transit projects. Detroit politicians still speak of the "$600 million promise," overlooking the fact that it contained enough conditions to prevent its ever being fulfilled, and Buffalo began work on a light rail/subway system on the basis of a similar "commitment" to $269 million.

$20 Billion Waste

When Ronald Reagan tried to cut U.M.T.A. spending in 1982, Congress rebuffed him and instead approved a series of new starts. Senator Paula Hawkins (R-FL) was instrumental in securing critical funds for the Miami project while Representative Carl Pursell, a Republican representing an affluent suburban area outside Detroit, deliberately rejected administration requests not to fund Detroit's People Mover.

The same thing is happening this year. The administration has proposed cutting mass transit aid and restructuring grants programs to encourage cities to offer more realistic and less expensive transit proposals. Representative Bud Shuster (R-PA), who ostensibly is sponsoring the bill in the House believes, according to an aide, that the measure is "dead on arrival." Representative Shuster, the aide continues, wants things to remain as they are.

Similarly, Senator Mark Andrews (R-ND), chairman of the Senate transportation subcommittee, has led a furious fight to protect all the transit proposals now under consideration, including three that U.M.T.A. says can't possibly produce enough ridership for revenue to justify their construction costs. The expensive projects, he says, are "investments in the future."

But investments for whom? Judging from the pattern of transit spending, the investment is for politicians who happen to sit on the House and Senate committees charged with approving transit projects. All 21 cities now receiving federal construction, planning, or design money have at least one representative on the House or Senate appropriations committees, the House Public Works committee, or the Senate Banking and Urban Affairs Committee. Some should never have received consideration, let alone money.

Uncongested Buffalo hardly needs a subway, but a system that opened in 1983 still retains the staunch support of Republican Representative Jack Kemp.

San Diego has a light rail line that has been able to run on nearly a balanced budget—passenger fares cover 80 percent of operating revenues. The only problem is that the system, pushed through Congress by Republican Senator Pete Wilson, effectively shut down a bus line that covered the same route, carried the same number of passengers—and turned a profit.

Sacramento is in the process of building a $130 million light rail system that at most will carry 2,000 passengers a day more than the bus system already in operation. The city probably could achieve the same ridership gains by purchasing 10 buses at about one percent of the cost of the rail system.

And several other cities—including Jacksonville, San Diego, Milwaukee, Minneapolis-St. Paul, Detroit, and Honolulu—are receiving money, even though average commuting times are short and the need for rail systems virtually non-existent.

Altogether, politicians have approved funding for projects that, if completed, would cost taxpayers $20 bil-

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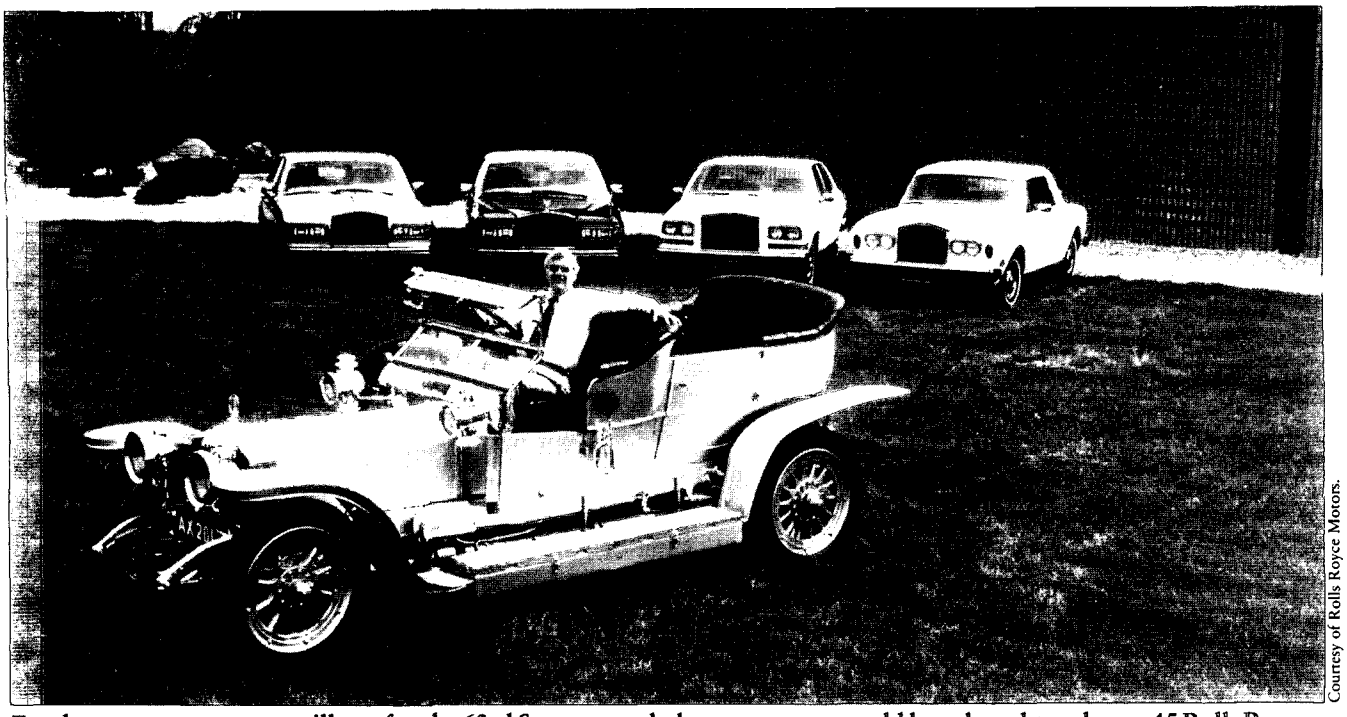

Courtesy of Rolls Royce Motors.

For the amount taxpayers will pay for the 63rd Street tunnel, the government could have bought each user 45 Rolls Royces.

lion just to build, and given the history of construction expenses, probably would consume $20 billion to $60 billion. But construction costs are only the tip of the financial iceberg. The real horror story starts when the transit systems start running.

Miami Disaster

Every city now operating a new transit system, with the possible exception of Atlanta, has been sandbagged by hopelessly inaccurate ridership projections.

San Francisco's BART, for instance, was supposed to carry 258,000 passengers a day by 1975; it moved about half that many people then, and carries about 200,000 daily passengers today. Melvin Webber, a designer of BART, argues that the project was a tremendous mistake, and that the Bay Area could have generated the same patronage by means of buses that would have cost only one-fortieth of what the subway/rail system cost.

Washington's Metro loses almost $300 million a year on operating expenses alone. The 60-mile segment now in operation was supposed to carry about 760,000 people daily by 1990; it now conveys just 321,000 passengers each day, 15 million a year fewer than the metropolitan bus system.

But ridership isn't the only problem. Metro can blame some of its problems on the very first piece of transit legislation, the Urban Mass Transportation Assistance Act of 1964. That bill said that any city assuming responsibility for a transit system must honor all existing transportation union contracts, taking care to preserve all the workers' "rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective bargaining agreements or otherwise . . . " Public agencies under this stipulation not only wouldn't be allowed to reduce workforces, but also would have to rehire laid-off employees at the first opportunity, or offer them free additional training or retraining.

This provision, now known in the transit industry as Section 13 (c), virtually guaranteed that unions would gain bargaining leverage in every urban transit system. George Hilton of the University of California at Los Angeles recently noted that "the statutory authority essentially gives the unions a veto power over capital expenditures and demonstration expenditures." It also means that union privileges assume greater priority than considerations like efficiency.

The result has been a bonanza for transit workers, whose wages generally lagged behind national workforce averages in the years before Uncle Sam joined the transit industry. Since 1964, transit industry wages have risen an incredible 25 to 40 percent more rapidly than average American wages, and the most exhaustive studies of union involvement indicate that declining labor productivity and high pay account for 50 to 75 percent of the operating deficits in American transit systems.

Miami's Metro Rail exhibits almost all of the problems with federal transit support. When local officials were seeking federal support of the Metro Rail, they hired experts who developed incredible scenarios for the project. The line, they said, would increase total mass transit ridership in Miami from its 1975 level of 190,000 passengers a day to 250,000 passengers by 1980; 650,000 in 1985; and 730,000 in 1990—a 384 percent increase in ridership over 15 years.

Planners jazzed up the estimates by noting that the estimates above were "reliable only at the 50 percent level." Their more cautious forecast (reliable at the 80 percent level) projected daily ridership of 445,000 by 1990.

Unfortunately, these scientific-sounding predictions were grounded on hilariously untenable economic as-

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sumptions. Gasoline, for instance, was supposed to cost $2 a gallon. And Miami's population was supposed to grow along the rail line route—instead of out to the southwest of the line.

Robert F. Patricelli, an U.M.T.A. administrator for Gerald Ford, praised Miami's plans in 1976, because he believed the country could ensure Metro Rail's success by restricting future highway construction and thus forcing "transit dependent" groups like the poor and elderly to ride the train. He also believed the system would generate a downtown office construction boom that would create a natural clientele for Metro Rail.

Perhaps the most damaging assumption, however, was that the system would be built on budget. The Metro Dade Transportation Authority wanted to ensure the rail line's success by creating a huge "feeder system" in which buses would carry passengers to Metro Rail lines quickly and efficiently. The authority planned to purchase 1,000 new buses for the feeder line, including a significant number specially equipped to carry the handicapped.

They also planned to make the system convenient for carpoolers by setting aside 12,000 free parking spaces in eight lots along the system. And once at the station, people would have to wait no more than three minutes to catch a rush hour train.

Construction overruns forced the city to cancel all new bus purchases—its aging, 405-vehicle fleet includes some clunkers that are more than 20 years old—build only three of the eight parking lots and 5,037 of the 12,000 parking spaces, and charge for parking, while doubling train fares and increasing bus/train fares by 150 percent. People who park and ride now can pay up to $4.25 a day—not $1—to ride on a system on which peak hour waits on platforms can run as long as 12 to 15 minutes—while gasoline gets cheaper every day.

Not surprisingly, the project has been a disaster. The system, which was supposed to carry 202,000 passengers a day now carries only about one-tenth that volume. The bus system continues to decay (and lose ridership); and Metro Rail, as we noted above, is likely to lose $100 million or more in its first full year of operation. Although local officials convinced voters in 1984 to approve a $62 million bond issue to pay some of the construction cost overruns, they're not likely to ask for more. Elderly voters, who comprise 20 percent of the Metro Dade County area, remain adamantly opposed to new taxes, and groups like the Urban League have said they'll oppose future transit spending because it doesn't serve the needs of Miami minorities.

Thriving Suburbs

Politicians often argue that it's unfair to criticize operating deficits in these cities because no mass transit system in the world runs a profit. Besides, they claim, these systems generate economic development, reduce traffic congestion (and attendant evils like air pollution), and provide mobility for the poor, elderly, and handicapped.

These claims are mutually inconsistent. If a transit system stimulates urban development, for instance, it's also going to increase traffic congestion—unless each and every new worker or shopper or client uses mass transit to move from the suburbs to the new development in the city. Similarly, it's impossible to achieve significant new business development in urban areas without displacing the poor who already live there, thus increasing their economic problems and generally lengthening commuting trips.

These claims don't stand up on their own either.

Although elected officials and civic boosters preach the virtues of transit-as-a-development-tool, economic literature on the subject indicates that rail construction has no effect on land development—that is, it neither attracts nor chases away a significant number of new businesses. Transit's "development effect" more often can be traced to the fact that transit lines were designed to serve already growing areas—or, as in the cases of San Diego, Sacramento, Buffalo, Baltimore, and Washington, to serve already popular bus lines—than the fact that the lines themselves generated retail, commercial, or industrial development.

But more significant is the fact that new transportation systems have not achieved what many planners considered their primary goal: to reverse the flight to the suburbs. In fact, that flight has accelerated over the last 23 years. A few quick examples: More than 18,000 office jobs in the San Francisco Bay area have moved to the suburbs in the past two years. Maryland and Virginia cities around Washington, D.C. are creating jobs three to six times as quickly as the District. The Detroit suburb of Southfield now has more occupied office space than the Motor City. And northern New Jersey should have more office space and jobs than all of Manhattan by the end of the century.

Most of this development sprouts up not along rail lines, but along highways. Tysons Corner, a shopping/office area outside Washington, is typical. What was a pasture 20 years ago is now a thriving commercial center that employs 25,000 people. But Tysons Corner has no Metro stop. Los Angeles, Houston, Dallas, and Orange County—all supplicants for heavy rail projects—all have similar centers served by highways.

Transit planners meanwhile behave as if nothing has happened. Despite the obvious fact that most commutes are suburban commutes, and that the growth areas for most metropolitan areas lie not along the old radial corridors, planners continue to devise systems that begin or end in central cities. An astonishing 80 percent of all rail lines still have one or more "trip ends"—final destinations—in central cities.

As for traffic congestion, San Francisco had more of it after BART than before. Washington has the same problem with Metro. These developments reaffirm what transportation professionals call The Law of Traffic Congestion. Just as nature abhors a vacuum, so do drivers abhor an empty highway at rush hour. As people abandon their cars to ride a bus or train, others who might not otherwise have traveled the roads join the rush, thereby adding to the congestion in the city, and now in the suburbs. Every reasonable study available indicates that the congestion argument is bogus.

This brings us to the most contentious argument of all, that mass transit subsidies represent a high-tech form of welfare spending. Transit, say politicians eager to preserve federal funding programs, provide the best hope for moving America's poor around the cities. If you try to cut out

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mass transit money, you effectively condemn the helpless to life on the streets.

This is hogwash. While poor Americans make slightly greater use of mass transit than the population generally, the difference isn't significant. In fact, poor Americans go to extraordinary lengths to avoid using mass transit.

A majority of the very poor, for instance, own automobiles. More than 54 percent of those with incomes below $5,000 owned at least one automobile in 1978-79, the most recent years for which figures are available. If anything, those ownership figures have increased over the past eight years. These statistics are especially astonishing when you consider that auto payments gobble up 20 to 40 percent of the disposable income of these poor households, while rent takes up another 40 to 50 percent.

The poor also make disproportionate use of taxis, which generally are more expensive than transit. Low income riders accounted for only about 12 percent of all transit rides (public and private) during the 1970s, but took nearly 27 percent of all taxi trips.

Often the poor aren't even served by the new transit system. In Washington, D.C., politicians and editorialists frequently trot out the need to complete construction of the Green Line subway into the low income areas of Anacostia—especially when the federal government makes noises about cutting funding for Metro. Every time that funding comes through, however, the money gets diverted to other lines—without obvious complaint from Capitol Hill or the *Washington Post.*

Other cities have gutted comparatively popular bus routes in order to bail out expensive rail systems. Jacksonville took $4.6 million out of its bus budget to help complete a seven-mile People Mover that runs between an empty railyard and the city convention center. Detroit has to take all its new bus money and apply it to its failing People Mover. And Miami put off all its bus purchase plans in order to bail out the Metro Rail.

Given the fact that a majority of the poor rely on automobiles, congressmen interested in helping the needy should put an end to glitzy rail systems and eliminate barriers to automobile ownership—restrictive licensing laws, protectionist legislation, high excise taxes, etc.

The same sort of analysis applies to the elderly and handicapped, who use mass transit, automobiles, and taxis in the same proportions as the rest of the American public.

Virtually everything you normally hear about mass transit is not true. New systems haven't increased development, reduced traffic congestion, or helped the helpless. They've merely cost a whole lot of money.

The reason for this failure, and the reason why future projects seem unlikely to do better, is that they are based on the belief that people ride mass transit in order to be entertained—amazed by sleek, state of the art vehicles and tracks—rather than to get quickly from place to place.

Unfortunately, this assumption is wrong. Polling data show that riders would rather wait inside their car than wait around at a transit stop—normally the margin of preference runs 3 to 1 or 4 to 1, but gets as high as 10 to 1 for people actually waiting for buses and trains—and would rather stop in their own vehicles than in a bus or train.

Planners wanted to modernize the cities by turning every large town into a miniature Manhattan, teeming with gleaming skyscrapers linked by futuristic rail systems.

Nevertheless, every new transit proposal on the boards relies on new systems that involve complex feeder systems—and hence considerable transfer and waiting times. When authorities in Washington, Miami, and Detroit tell you that their projects will work once these feeder lines have been built, don't believe them: the increased waiting time will only reduce potential patronage.

The fact is, workers aren't as snobby about cars and internal combustion engines as planners and politicians are. People like their cars, as any survey of your local expressway will show. Moreover, these "transit systems," like private taxi and jitney services and unlike public mass transit, generally run on balanced budgets.

The transit dream has failed because people preferred suburbs to cities and cars to buses and trains. In short, America's transit experiment relied on faulty psychological assumptions and wildly unrealistic economic guesses. Rather than shoveling more money into systems like those in Miami, Washington, Detroit, and a host of other cities, Congress should cut its losses and admit that it's spent 23 years moving in the wrong direction.

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AFRICAN SUCCESS STORIES

Democracy and Free Enterprise in Five African Nations

GERARD ALEXANDER

This is a message of hope about a continent of despair. It is a story of five African nations—Ivory Coast, Cameroon, Malawi, Senegal, and Botswana—that challenge collective wisdom and show that Africans are capable of sustained economic growth, agricultural self-sufficiency, and multi-party democracy, if only their governments will give them the opportunity.

Most of sub-Saharan Africa is a disaster zone, both politically and economically. In only three of its 44 countries have citizens been able to elect their leader in one-man, one-vote elections during the last decade. Twenty African nations are ruled by the military, and there have been over 70 coups d'etat in 25 years. The absence of democracy is accompanied by tribal antagonism and a near-total disdain for individual rights. Civil war ravaged Nigeria from 1967 to 1970, leaving from 750,000 to 2 million dead. Genocide has left at least 100,000 dead in Rwanda, some 200,000 in Burundi, perhaps 600,000 in Uganda. In Marxist Ethiopia, between half a million and a million people have perished as the result of forced starvation and resettlement.

In few regions of the world has socialism been so widely applied and in none has it so badly failed. Most African governments control a majority of their countries' modern wage jobs. They buy the produce of farmers at artificially low prices and monopolize the sale of fertilizer and other agricultural inputs, squeezing the farmer and making him completely dependent on the state.

The result has been economic catastrophe. The region is burdened with a debt of over $150 billion, 180 percent of the value of its exports. Aid does not appear to help; on the contrary, Tanzania's income and food supply has steadily declined since the early 1970s, even though (or perhaps because) it has been Africa's leading recipient of foreign aid. At least 60 percent of all black Africans live with a per capita income below $135 a year. Only giant Nigeria has a gross domestic product larger than that of the city of Hong Kong.

Elsewhere in the Third World, food production has outpaced population growth. Today even China and India are able to feed themselves. But in Africa, per capita food production has fallen since independence, and one in five Africans is sustained by imported food. Some aren't sustained at all: famine has afflicted such countries as Ethiopia, Mauritania, Mali, Uganda, Sudan, Burkina Faso, and Mozambique.

What is tragic about all this suffering is that it is so unnecessary. The Ivory Coast and Cameroon prove that African states can sustain economic growth. Malawi shows that Africans can feed themselves. Senegal is a model of democracy and human rights. Botswana has achieved both political and economic success. Each of these countries gives its citizens the blessings of political and/or economic liberty. Each is small, but offers hope to its larger neighbors.

Ivory Coast

Few countries anywhere have achieved the phenomenal economic growth of the Ivory Coast, a West African nation of 9.5 million. Growth rates of eight percent in the 1960s and 6.7 percent in the 1970s were among the highest in the Third World, not counting the East Asian "gang of four." At independence in 1960, the Ivory Coast was the world's ninth largest coffee grower and fourth largest cocoa producer. Today it is fourth in coffee and first in cocoa. Its economy is so strong that it plays host to nearly two million immigrant workers from neighboring countries.

Most of Africa is ruled by urban elites who suppress and look down on the rural majority. Not the Ivory Coast. It has been led since independence by President Felix Houphouet-Boigny, whose semi-official nickname is "number one peasant," and who until recently tilled a small plot of land every week in order to symbolize his country's commitment to improving the rural standard of living. At the same time, its capital, Abidjan, is one of Africa's most modern cities.

Houphouet-Boigny bases his economic program on three pillars: freedom of enterprise, especially in agriculture; low taxes; and receptiveness to foreign investment and advice, especially from France and the United States. Unlike many African countries that have expelled Euro-

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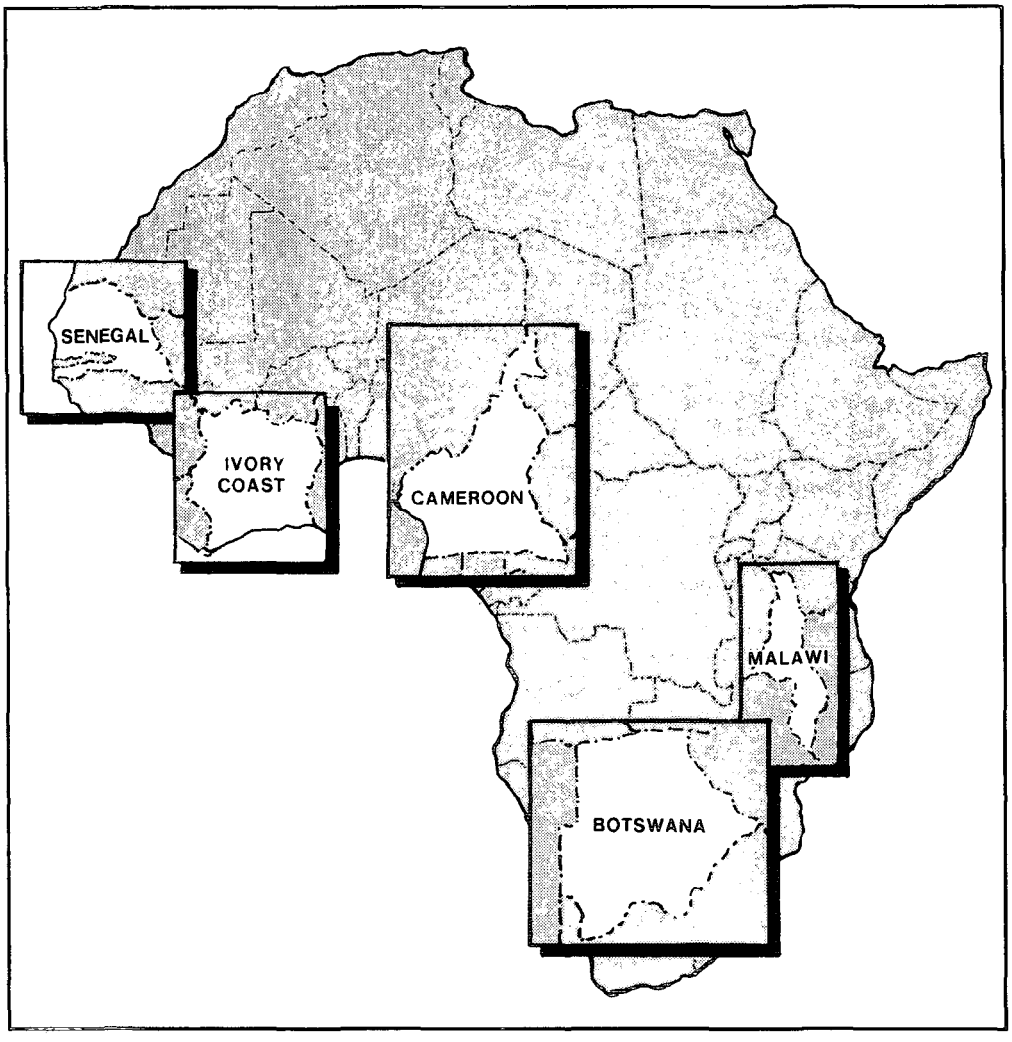
pean, Middle Eastern, and Asian merchants and professionals, Ivoirians benefit from the contribution made to their economy by some 50,000 Frenchmen and 100,000 Lebanese and Syrians.

Twenty years ago, per capita income in the Ivory Coast was lower than its neighbor Ghana ($251 vs. $281). But Ghana squandered its opportunities by nationalizing almost all businesses (even the laundries in downtown Accra), by overregulation, and by confiscatory taxes even on low levels of income. In 1979, Ghanaian per capita income was only $400, while Ivoirians enjoyed a per capita income of $1,040, second in black Africa only to oil-rich Gabon.

For several years in the early 1980s, the Ivoirian bubble appeared to have burst. Cocoa production tumbled, partly because producer prices fell relative to inflation. Government spending rose sharply, and budget deficits followed. Statist economic programs were pursued, such as an inefficient public bus monopoly in Abidjan. Per capita income dropped to about $800.

But the economy began to recover in 1984. New agricultural incentives, especially higher producer prices, led to a record cocoa crop in 1984-85. Rice mills and marketing firms were privatized; taxes were adjusted; civil servants' salaries were frozen; money-losing state-owned industries were streamlined, sold off, or shut down; subsidies were eased; per capita income is on the rise.



Map by Karen Portik for *Policy Review*.

Cameroon

Cameroon, a nation of 200 tribes and 9.6 million people, has one of the most diversified economies in Africa. It exports approximately $1 billion in oil, mostly to the United States. It is also the world's fifth leading cocoa producer, an exporter of timber, coffee, and bauxite, and the home of an emerging class of Cameroonian entrepreneurs making everything from bicycles to cigarettes.

Despite drought and regional economic slumps, per capita income has risen by an average of 2.5 percent annually since independence in 1960; it now stands at $890, one of the highest in Africa. This prosperity reflects not only an abundance of natural resources, but also policies of openness to foreign investment, limited regulation, and a relatively free economy based on incentives. Taxation is limited to 13 percent of national income.

Agricultural policy is maverick by African standards, encouraging private decisions about production—as opposed to the large state role in the collective farms of Ghana and Tanzania. Cameroon's coffee crop, for instance, is purchased by a farmers' cooperative that is managed by farmer-members, not politicians.

The architect of Cameroon's relatively free economy was its first president, Ahmadou Ahidjo, who stepped down voluntarily in 1982 and was succeeded by his prime minister, Paul Biye. Biye has continued to liberalize trade and enterprise laws. Though the country is still ruled by one party, Cameroonians living abroad are now able to elect their own party representatives, and there have been hints of a movement toward broader democratization.

Malawi

At the time of independence in 1964, landlocked Malawi was one of Africa's most destitute and densely popu-

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lated nations: only Rwanda, Burundi, and Upper Volta (now Burkina Faso) were poorer. But this tiny, fingershaped land, with no natural resources except its hardworking population of 6.3 million, has averaged three percent real growth in per capita income every year since independence—with the growth rate climbing to nearly seven percent in recent years. It has surpassed Cuba in tobacco production. Most spectacular for Africa, it feeds itself, meeting 100 percent of its agricultural needs.

Senegal has had scrupulously fair presidential and legislative elections every five years since 1963.

Malawi has been ruled since independence by President-for-Life Hastings Kamuzu Banda, a former minister and physician who governs with an autocratic hand. Almost monarchical in style (May 14 is "Kamuzu Day"), Banda insists that Malawian high school students learn Latin as a condition for graduation. He limits the role of government in the economy, involves private firms in rural construction projects, consults farmers and rural communities about decisions such as water-supply projects, and welcomes Western investment.

Malawi's agricultural achievements stand in stark contrast to the failures of Tanzania just across the border—a country which, in the name of *ujamaa,* Swahili for familyhood, forcibly herded 10 million peasants onto collective farms, burning their original homes. During the 1970s, while agricultural production in Malawi was increasing by four percent annually, production of wheat, potatoes, cotton, and milk was falling in Tanzania. The difference: Malawi respects individual farmers and communities. State marketing boards in most African countries typically pay farmers for their crops only after deductions for the cost of tools, fertilizers, and other supplies are subtracted. Malawi, by contrast, pays farmers all the money due them. They are expected to handle their debts on their own.

Trade for landlocked Malawi is difficult. The natural routes to the sea, through Mozambique, are endangered by guerrilla war. Trade must either go through inefficient Tanzania or through Zambia, Zimbabwe, and then South Africa. Banda, formerly a clerk for a South African mining company (he walked more than a thousand miles to find employment), is the only black African leader to maintain diplomatic relations with Pretoria. He claims that the link facilitates commerce, ensures employment for 30,000 Malawians who find work in South Africa, and forces the South Africans to treat at least one black leader as an equal.

Unlike most African states, Malawi does not artificially boost urban incomes through state subsidies on a bloated civil service. As a result, it has been spared the mass exodus from the countryside that has created so many squalid African slums. The policy also saves the treasury vital revenue. The proportion of the government's budget to national income is half that of neighboring countries.

Senegal

"Senegal is the Costa Rica of Africa," says Charles Bray, U.S. ambassador to the West African country from 1981 to 1985. "The law rules; the dignity and integrity of the individual are respected; there is no torture; there are no political prisoners." Instead, since 1963, there have been scrupulously fair presidential and legislative elections every five years.

The tradition of democratic tolerance was established by the country's first president, Leopold Senghor, who in 1981 became the first African civilian leader to step down voluntarily from office. Senghor, a poet, is a member of the elite Academie Francaise and has been nominated for the Nobel Prize in literature. Political life in Senegal is dominated by his Socialist Party, a member of the Socialist International, which currently holds 111 of the 120 seats in the National Assembly. But 15 parties compete freely for seats.

Senegal's weak point is its economy, which reflects Senghor's socialist beliefs and is dominated by government. Senegal is one of the few African countries where per capita income has actually fallen since independence. Producer prices paid to farmers are relatively low, and the main crop, peanuts, has suffered for it. Taxes and regulation are comparatively heavy. Yet Senghor prides himself on not being doctrinaire. In 1984, he told an American journalist that "the first task of socialism is not to create social justice. It is to establish working democracies." This pragmatism is shared by Senghor's presidential successor, Abdou Diouf, presently also chairman of the Organization of African Unity, who has begun to limit government intervention in the economy.

Senegal under Diouf has exported its freedom to Gambia, which it surrounds on three sides. In 1981, Marxist troops overthrew Gambia's president, Dawda Jawara, and called for Soviet aid. Senegalese troops overturned the coup and established order. The two nations have since signed accords aimed at political integration.

Botswana

Botswana is sub-Saharan Africa's most clearcut success story, combining phenomenal economic growth with liberal democracy. Surrounded by Zimbabwe and South African-controlled territory, Botswana has enjoyed 11 percent annual economic growth since independence in 1966. Per capita income exceeds $900. Five political parties operate freely, with three winning entrance to the National Assembly in the 1984 elections.

Sir Seretse Khama, once chief of the Tswana tribe, the nation's largest, founded the ruling Botswana Democratic Party, which today controls 29 of the Assembly's 34 elected seats (another six are appointed.) Khama led the nation from independence until his death in 1980, and strongly encouraged private enterprise, relinquishing government holdings in businesses whenever private investors could be found. Privately owned planes and buses compete with government transportation systems. Minerals,

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mined by private and often foreign firms, have led development, with firms intent on efficiency, not bloated state employment. Though agriculture has been largely unsuccessful in this desert nation, cattle outnumber inhabitants by nearly three to one.

Because of its receptiveness to private initiative, Botswana is fertile ground for an emerging business class. Entrepreneurs such as Boithoko Moonwa Setshogo and Lesiga Phillip Segola have left the civil service to begin enterprises in advertising, consulting, supermarkets, and fresh produce. The efficiency thus fostered ensured that not one Batswana died during the recent drought; the distribution system could handle all imports necessary.

Only once since 1966 has it been necessary to raise taxes, and employment has risen every year. In a more than symbolic gesture to the active private sector, the Ministry for Trade and Industry issues brochures extolling "Tax Incentives in Botswana" and "If You Want to Start a Business in Botswana."

Quett Masire, who assumed the presidency after Khama's death, is one of the "front line" leaders opposing South Africa's internal and foreign policies. At the same time, the Botswana government is a member of the Pretoria-led Southern Africa Customs Union. The opposition Botswanan National Front, with a distinctly socialist economic platform, has recently won city council and other local elections in urban areas. Free enterprise is nevertheless politically popular. The Botswana Democratic Party won 76 percent of the national vote in the last election.

The people of Africa cannot be blamed for the economic and political stagnation of most of their continent. At fault, rather, is the exploitative system under which most Africans must labor and live. When the African emigrates to the free West, he produces more; when he emigrates to a freer African nation, such as the Ivory Coast, he also produces more. These five African success stories show how Africans are capable of improving their lives.

Based on these models, the United States Agency for International Development is urging free market policy reforms in African countries, especially price decontrols, currency devaluation, reduction of the size of the public sector, tariff reforms, and ending government monopolies in the fertilizer and other agricultural supply businesses. In 1985, the first year of the Economic Policy Reform Program, $75 million was made available to five nations agreeing to reforms—Malawi, Mali, and Zambia among them. This year, perhaps $50 million will be distributed to Senegal, Zaire, Togo, and Guinea, once socialist, where today private banks and enterprises are beginning to flourish.

Freedom of enterprise, agriculture, and democratic politics are ultimately based on respect for individual citizens. The Ivory Coast, Cameroon, Malawi, Senegal, and Botswana all show what can be achieved in countries where the individual matters. Theirs is a lesson in liberty.

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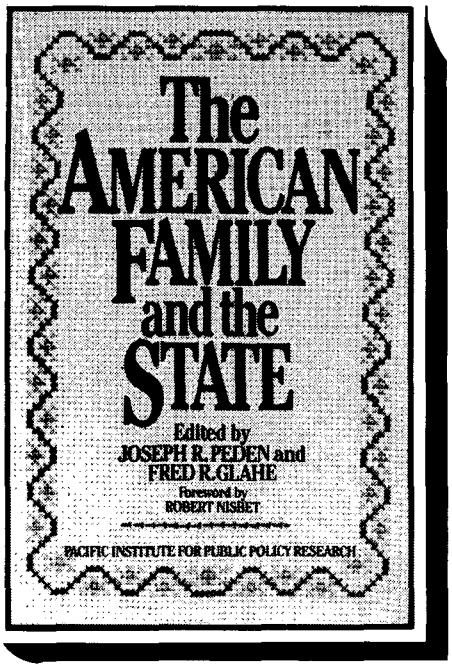
FAMILY, SCHOOLS, AND THE STATE



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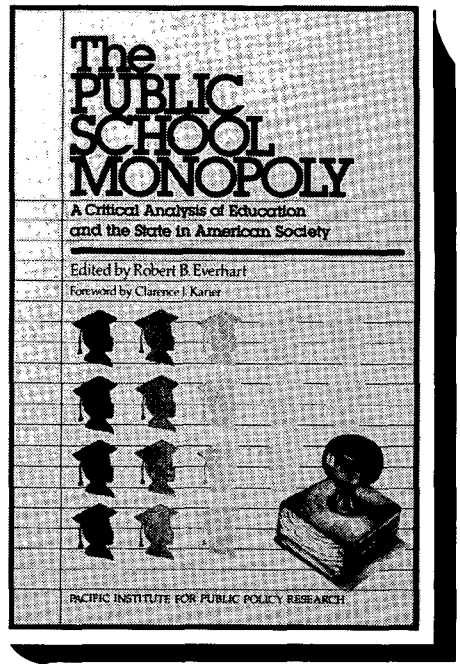

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Time To Privatize Money?

How Good Currency Can Drive Out Bad

Richard W. Rahn

Even the strongest government currencies today lose their purchasing power at a rate of three percent or more per year. To make matters worse, exchange rates between major currencies can vary by as much as 30 percent within six months. Everyone making long-term international contracts and investments must therefore go to considerable expense just to hedge against currency losses, not to mention business risks. In addition, interest rates must include premiums sufficiently high to affect anticipated future inflation.

This instability has been particularly pronounced under the current regime of "fiat monies"—currencies which are issued without any tangible backing such as gold, but instead derive their value from the good faith and credit of the issuing governments. The U.S. dollar in 1985 was worth 37 percent of its 1971 value, when the Bretton Woods Agreement collapsed and the United States severed the last tie of the dollar to gold. The performance of the British pound, the French franc, and the Italian lira has been far worse.

Many critics of the current regime have proposed anchoring the monetary system. Examples include a return to the gold standard, some type of commodity basket standard, or the use of price and quantity rules to determine appropriate money growth. Any of these probably would provide greater price stability than the existing monetary system if they were properly managed.

But the fatal flaw in all reform proposals that depend for their implementation on governments is that short-term political considerations often force monetary authorities to alter the rules. The U.S. Federal Reserve abandoned the gold standard in 1917, 1933, and again in 1971. British and French monetary authorities also have a long history of abandoning the gold standard when it became potentially inconvenient.

A group of economists loosely known as the "competitive currencies" school has therefore proposed a bolder alternative: denationalization of money, or at least the removal of government monopoly on issuing currency, i.e. "free banking." Nobel laureate Friedrich Hayek, Professor Roland Vaubel of the University of Mannheim, and former Undersecretary of the U.S. Treasury Norman Ture, among others, argue that monetary stability would be better maintained if private banks and financial institutions could issue their own currency. They point out that central bankers, no matter how competent and honorable, often find it difficult to resist short-term political pressures to debase the value of the currencies they control.

By contrast, banks and other private issuers would have stronger incentives than governments to maintain the real purchasing power of a currency because the only way to make a profit by issuing money would be to provide a currency which people consider superior to government money. People making long-term contracts or investments would be eager to rely on a private currency only if they thought it would maintain its value better than the dollar or yen or other currencies.

Those who make the "competitive currencies" or "free banking" argument do not suggest that those in the private sector are inherently more honest and responsible than those in the public, only that competition ultimately would weed out the crooked and incompetent. Superior money will drive out inferior money. This is the reverse of Gresham's law, "bad money drives out good," which refers to situations in which debtors have an after-the-fact choice of payment. Sellers and buyers, lenders and borrowers alike, will have an incentive to make long-term prospective contracts in a currency that will not lose its value.

There is considerable empirical support for both the "competitive currencies" and "free banking" positions. Experience demonstrates that the value of money is less stable and cyclical downturns are more severe under government monopoly regimes than under free banking or competitive currency regimes.

From 1839 to 1913, between the demise of the Second Bank of the United States and the establishment of the Federal Reserve System, most American money in circulation consisted of privately issued bank notes. The quality of these bank notes varied: those issued by many large eastern banks were often as "good as gold," and in fact could be redeemed for gold. Many western bank notes,

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though sold at deep discounts, helped give entrepreneurs the money they needed to finance their businesses. As would be expected, some issuers of money cheated their customers; but seldom did these acts have a notable effect on the economy. Every 20 years or so from 1840 to 1913, the economy was hit by sharp downturns, known as "panics." But the period of competitive bank notes coincided with the period of the most spectacular and sustained economic growth in American history. Real personal per capita income rose at an annual rate of approximately 10 percent from the end of the Civil War to the establishment of the Fed, faster than it has in the period since.

Central bankers cannot resist political pressure to debase the currencies they control.

The economy has been much less stable since the establishment of the Fed restored a government monopoly in currency issuance. The wholesale price index in 1913 was 87 percent of what it had been 73 years earlier, and during this period, it never varied by more than 100 percent, not even during the Civil War. By contrast, in the 73 years since the founding of the Fed, the wholesale price index has risen to 825 percent of its 1913 level. Economic downturns have been far more severe in terms of lost output and unemployment since the formation of the Fed than in any of the pre-Fed panics. Only 1,748 banks failed in the 20 years before the founding of the Fed, compared with 15,502 in the 20 years afterward.

If "competitive currencies" is such a good idea, why has it not been tried? Experiments to establish private currencies have so far been hampered by a maze of government restrictions. Since World War I, the currencies of all major countries have been monopolized by their national governments. Central banks such as the Bank of England, the Bank of Japan, and the Federal Reserve Board of the United States have had sole authority to produce both paper money and metallic coins used as a medium of exchange and legal tender for the discharge of debts and payment of taxes. In the United States, this monopoly has continued in practice even though Congress established the "gold clause" in 1977. This clause makes contracts based on gold values of the dollar legally enforceable. Unfortunately, money surrogates such as gold coins, money market funds, or indexed bonds are not truly competitive with government money because any change in their values (even if induced by inflation) is subject to the capital gains tax.

The absence of a gold standard for major currencies adds a further difficulty for private gold-backed monies. When most of the industrial world was on a gold standard, the price of this metal was a fairly reliable proxy for the real value of goods and services produced and consumed around the world. In recent years, however, gold prices have fluctuated wildly and been subjected to speculative and political manipulation, making gold an unstable base for a private currency.

Conditions now exist for a private money experiment that could circumvent government restrictions, including capital gains taxes, without the risk of relying on one commodity such as gold. Thanks to instant worldwide communications, and the development of futures markets around the globe, it is now possible to envision international competition between private monies that are backed by futures contracts and options for a basket of real goods. A private currency ultimately exchangeable for real commodities could serve as a superior store of value over existing government monies.

There are three recent developments that make such an experiment possible today.

The first is the proliferation of organized commodity exchanges where both the cash and futures prices of many different commodities are determined by supply and demand in open auction. Organized commodity futures exchanges began in the United States and England in the late 19th century and dealt exclusively with agricultural commodities and metals.

Today more than three dozen commodities, ranging from heating oil to gold to wheat, are traded daily on more than two dozen commodity exchanges from Singapore to Winnipeg to Sao Paulo to Milan. A futures contract is essentially a contract in which the buyer agrees to accept delivery at a specified price from the seller at a designated time in the future. A private issuer of a commodity basket-based currency therefore no longer has to store the commodities.

The second development is the emergence of truly international markets, in which each commodity has "one world price." Instant worldwide communication by satellite enables market participants to know the prices of all traded commodities at the same time, thereby preventing major price differentiation in various locales, except those based on transportation costs. Similarly, the currency convertibility and freely fluctuating exchange rates since the breakdown of the Bretton Woods system have eliminated the price distortions that frequently occurred in basic commodities whenever speculators anticipated a re-evaluation of a currency. The emergence of "one world price" helps the issuer of a commodity-based currency by eliminating arbitrage opportunities.

The third development is the creation of tax havens where bank secrecy laws prevail. People will be inhibited from using a commodity-backed money where changes in the price of a commodity relative to a given currency are subject to capital gains or income taxes. Fortunately, a number of small countries such as Switzerland, the Bahamas, Cayman Islands, Hong Kong, and Liechtenstein have found that they can strengthen their economies by providing a less onerous regulatory and tax environment than their bigger competitors. None of these countries impose an income tax or capital gains tax on the purchase and sale of commodities, and all have bank secrecy laws to protect the privacy of users of a commodity-backed money.

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It is therefore now possible to envision a private experiment in issuing a currency with stable purchasing power. The issuing body would be a private bank based in a country without capital gains taxes. It would back the currency with a basket of commodities whose price changes approximate changes in the actual cost of living. To ensure that no one commodity would have a disruptive influence, the basket would contain perhaps a dozen different commodities.

How Private Money Would Work

Determining the appropriate commodity basket is an empirical exercise comparing the price changes of each individual commodity with the consumer price index, producer price index, and GNP deflator. Anyone interested in developing an appropriate basket would need to go through this exercise. Since commodity values can change over time, the market-basket would have to be redefined periodically in order to make sure that the currency maintained stable purchasing power. The goal is to give the user of the currency confidence that he can always exchange his banknotes for real goods that maintain their value.

The bank issuing the currency would not need to hold title to the commodities in the market basket. Instead it would purchase futures contracts and options on organized commodity futures exchanges. To minimize political influence on the price of any commodity, it would choose only commodities that are produced and traded in multiple locations throughout the world.

The bank would continuously hold contracts to purchase commodity futures, rolling them over before their expiration dates. In the event that a particular country for any reason closed down a futures exchange, the bank could quickly shift to purchasing the commodity on another exchange. For example, if the commodity basket contained wheat, the bank could purchase the futures contact on the Kansas City Board of Trade or the Winnipeg Commodity Exchange.

The private bank could issue notes in exchange for any government currency that is freely convertible. The price of the currency—let us call it a Commodity Reserve Unit or C.R.U.—would be equivalent to the total value at any given time of all the commodities comprising the market-basket. The C.R.U. would be redeemed at any time in any currency at a price equal to the aggregate market price of the commodities which back it. Given the current technology in worldwide communications, the value of the C.R.U. in every major convertible currency could easily be reported in an instant.

As the demand increased for C.R.U.s, the bank would use the government currencies received for the purchase of C.R.U.s to buy additional futures contracts and to create more C.R.U.s. The larger the real volume of the C.R.U. demanded, the larger the volume of loans and sales of C.R.U.s. Success in restraining the C.R.U. supply to the volume demanded at a stable value would itself strengthen the demand—virtue would bring its own reward. The bank would use its free reserves of national currencies to purchase high-grade liquid securities such as treasury bills, earning interest on these securities. High liquidity would be necessary in case a margin call on a futures contract had to be met. The bank would allow customers to make deposits of C.R.U.s and would pay interest on those deposits. Conversely, the bank would lend C.R.U.s and charge interest on the loans. Once the C.R.U. is established as a viable and accepted currency, the bank would establish a forward currency market for C.R.U.s. The bank itself would not take a position but would provide an exchange market for speculators and hedgers.

Private money is not just an abstract idea, but an idea whose time has come. It is now technologically and legally feasible.

The bank's income would come from transaction fees resulting from the purchases and sales of C.R.U.s, interest earned on free reserves, loan fees, and forward currency exchange market fees. The bank's expenses, in addition to its initial capitalization, would include normal operating overhead plus the fees and commissions (transaction costs) for the purchase and rollover of the commodity futures contracts.

The C.R.U. bank would provide the market functions of a hedging vehicle for those who wish to protect themselves from the depreciation of any one currency or a change in the relative prices of two or more currencies. Exchange rate volatility and the uncertainties from worldwide inflation have forced multinational corporations and others engaged in international commerce to resort to barter trade to ensure the value of their contractual obligations. As much as one-third of world trade in recent years is the result of barter arrangements. Unlike most barter goods, C.R.U.s are based on commodities for which there are active daily markets, and are therefore exchangeable.

Once the C.R.U. becomes well established as a hedging and contract definition vehicle, it would have the real potential to replace existing national currencies. In fact, it might well occur to rulers of countries suffering from high rates of inflation that they, as a nation, would be better off in terms of price stability and economic growth, to contract out their national money creation and central banking functions to the C.R.U. bank. It is not inconceivable that the C.R.U. could become a major international currency if it serves as a currency for several small countries.

Private money is not just an abstract idea, but an idea whose time has come. It is now technologically and legally feasible. Initially, it would be only a small step towards denationalizing money. Those who have the imagination, the boldness, and the courage to take that next step up might not only enrich themselves, but add to the prosperity of all mankind.

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One For The Scalpel

Budgetary Malpractice in Health Research

Donald Lambro

You've heard about the $7,600 coffee pots and the $640 toilet seat covers purchased by the Defense Department. Even advocates of higher defense spending recognize that military procurement is unnecessarily wasteful, and that the United States could be better protected, at current budget levels, if fewer defense dollars were frittered away on pork barrel projects that advance the job security of congressmen and line the pockets of contractors—but do not help national defense.

But waste and pork barrel politics in government are hardly limited to the military. Domestic programs are often just as wasteful, if not more so, than defense programs. Take the case of medical research, frequently cited as an example of the noble work that government is capable of doing. The National Institutes of Health (N.I.H.) are charged with sponsoring research into the causes and cures of various diseases. Listed below is a sample of activities recently funded by the N.I.H.:

○ A five-year study of the psychological and social effects of braces on adolescents. Cost: $131,794.

○ A five-year Notre Dame study of interracial friendliness of children in grades four through seven at 10 northern California schools. During the school year, the children are periodically asked to run down a list of names of their classmates and circle the appropriate description ranging from "best friend" to "don't know." Cost: $325,581.

○ A two-year Columbia University study of the formation process of Haitian ethnic organizations. Cost: $260,401.

○ A three-year examination of the psychology of food-choice development among adolescents. The eating habits of 400 children, aged 11, 12, 15, and 16, are being observed to determine how they decide what they will and will not eat. Cost: $215,450.

○ A three-year study of how restaurant-goers of different ages interact in restaurants—the extent to which they sit together, and the habits of the elderly. The data will be used to analyze how different age groups can be brought together in restaurants and how, at the same time, each age group can be given a degree of privacy from the others while eating in restaurants. Estimated cost: $113,369.

○ A University of Michigan study examines silent films dealing with public health education in the early 20th century. This "filmography" hopes to reveal the problem of communication between physicians and the public. Cost: $37,026.

● A $58,160 "small business" research grant is aimed at developing "non-sexist" toys for children. The researcher for Play-Fair, Inc. of Boulder, Colorado was seeking a $105,000 continuation grant to support further testing and development of such toys for another year.

● A Rutgers University study focuses on the "masculinization" of female mouse fetuses. The idea is to find out how the masculinity of female mouse fetuses is affected by the presence of male mouse fetuses in the same uterus with them. Estimated cost: $204,000.

● A University of Oregon study of toddlers questions the effectiveness and appropriateness of parental rearing techniques and their impact on the sex role development of children. Cost: $83,049.

● A study into how personal computers can broaden the elderly's range of experience and enhance their psychological well-being. Personal computers with game software will be introduced at two senior citizens' centers. The N.I.H. review group approving this $9,946 grant admitted that it would have been "helpful" if the researchers had provided a "rationale" for the use of computer games, but concluded that the project may have "good commercial potential."

● A University of Missouri study on age-related decline in typing skills among the elderly. Cost: $48,885.

● A three-year study of unselfish behavior and helping the elderly. Cost: $173,812.

● A three-year study into ethnic qualities, continuity, and aging. Cost: $312,211.

● A study of the lessons learned from older persons saving abandoned buildings. First year cost: $14,975.

● A three-year study on comprehension and use of prose in people's middle and later years. A group of about 25 persons participated in experimental sessions in which they identified various writing techniques used in advertising.

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The study's finding: increased reading helps memory retention among older people. Cost: $107,460.

- A study of anti-smoking media campaigns in southern Texas and northern Mexico to see how such campaigns work. Cost: $500,000.
- Two smoking-cessation studies whose principal goal is to get nurses to stop smoking. Cost: $633,000.
- A study to see if a smoker's telephone "hot line" works to help people resist the urge to light up. Cost: $200,000.
- A three-year grant to find out the patterns of employment in a large bureaucracy by studying the personnel records of 40,000 insurance company employees. Cost: $85,397.
- A study of workers nearing retirement age to determine whether workers with seniority are more likely to stay on the job, among other factors influencing retirement. Cost: $100,397.
- A survey of 521 grandparents nationwide to see how the divorce and remarriage of their grown children affects their relationship with their grandchildren. Cost: $189,457.
- Analysis of a 1972-1975 national crime survey to develop a way to measure the elderly's fear of crime, how this fear differs during the day and at night, and what causes their fear. Cost: $82,618.
- A study of elderly Navajo Indians in Arizona to see how the Navajo's family structure affects their physical and psychological health. Cost: $553,499.
- A study of the food-foraging habits of the Ache people in eastern Paraguay. Cost: $163,254.
- A study of late marriage in a village in Spain from 1873 to 1983. Cost: $74,561.
- A study of how children cope with the stress of having their tonsils removed. A group of 80 children will be studied before, during, and after the operation to compare different "coping styles." Cost: $85,780.
- A study of several hundred Baltimore children through the first two years of school to see how they make the transition to fulltime schooling, and why some are successful and some are not. Cost: $162,994.
- A study of junior high, high school, and college students to test whether academic achievement is determined by a student's study habits, and if achievement and study habits change as a student gets older. Cost: $139,950.
- A study of how children and adults find their way around their neighborhoods. One part of the research will test children's memory for direction after they are placed in a large, unfamiliar environment like the St. Louis Zoo. Cost: $83,828.
- A $242,508 two-year study to track the development of political attitudes of women who graduated from Bennington College in the 1930s.
- A study of the social and psychological effects that using computers has on children—whether using computers makes children more gregarious or promotes social withdrawal and isolation. Cost: $228,084.

This is not a particularly outrageous selection of N.I.H. projects. Rather, it illustrates the kind of grant the organization too frequently makes. It is possible to envision useful results coming out of some of these research projects. For example, a study of the way the elderly use computers may eventually provide insights into the process of aging. But even so, the question is whether such a highly experimental or risky project should be funded by the taxpayer.

Many grants are not as promising. A study of how old people who save abandoned buildings feel after the experience would seem to have limited application. Do scientists really need over $100,000 of public money to examine how adolescents feel when they have braces? (Answer: ugly and uncomfortable.) Clearly the above-mentioned N.I.H. projects represent fertile territory for Congress to cut back, especially in the current budget crunch.

The grants catalogued above are not typical of the N.I.H. in general. The N.I.H. is a collection of 11 separate institutes; the dubious awards are mainly taken from grants made by three: the National Institute on Aging, the National Institute of Child Health and Human Development, and the National Heart, Lung, and Blood Institute. There is much that these and other institutes do that is unimpeachable. The $800-million-a-year National Heart, Lung, and Blood Institute funds important research into cardiovascular and lung illness. The National Institute of Allergies and Infectious Diseases is spearheading research into the deadly acquired immune deficiency syndrome, or AIDS, to the tune of $167 million in outlays this year and a proposed $200 million next year. The National Cancer Institute continues its war against cancer, achieving a dramatic, though preliminary, breakthrough in an experimental treatment involving a growth factor called Interleukin-II, which activates specialized white blood cells to attack and kill cancer cells. All this is very good, but it is a serious mistake to assume that all money given to the N.I.H. goes directly to alleviate these and other dangerous maladies, and that higher appropriations ensure that cures for these diseases may be discovered faster.

Scrambling for Dollars

One reason for the involvement of the N.I.H. in apparently frivolous projects is that the money has been pouring in—faster than it could be efficiently deployed. The N.I.H. was founded in the early 1930s, when it had a modest budget and focused on a few crucial biomedical research areas, primarily chronic diseases. In 1937, with the establishment of the National Cancer Institute within the N.I.H., the process of separating research projects began. Naturally it brought risks of duplication and lack of communication between the various institutes. But the money was there, so the problem was regarded as minor.

Now there are 11 institutes, all of which have prospered even when budgets for other government programs have been cut. "Few if any other federal agencies have enjoyed such a rapid and sustained rate of growth," concluded a 1984 study by the Institute of Medicine. From 1968 to 1984, N.I.H. appropriations grew at an annual rate of nine percent. The 1985 budget awarded a $650 million hike to the N.I.H., the highest in its history, raising its total budget to $5.15 billion that year. The latest congressional bidding for the 1986 N.I.H. budget is $5.5 billion. While the total civilian discretionary budget has gone down by seven percent from 1981 to the present, the result of Reaganomics, the N.I.H. budget has climbed 45 percent.

The result is a scramble for dollars by potential grantees,

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and congressmen are eager to oblige. There is also fierce competition among various institutes to gain funds, with the result that all tend to be hyperbolic about the risks posed by their disease to the general public. Funds are often allocated along pork barrel lines, not medical need. "The tendency among the current 11 institutes is to divide the pie among all the children," says Bernadine Healy, former deputy director of the White House Office of Science and Technology Policy. Dr. Healy suggests that perhaps fewer dollars would be needed, and could be more efficiently deployed, if research was focused into "targets of opportunity" where scientific knowledge is progressing fastest, such as the neurosciences and molecular biology. The National Institute of General Medical Sciences, which funds broad basic research, is "deeply underfunded," she says.

Yet the tendency is for Congress to set up more separate institutes. Now it has cleared funds for another—the National Institute for Arthritis. In recent years, members of the House and Senate have tried to set up a Population Institute, a Communications Institute, an Institute for Technology Research, and the National Trauma Institute. Many of these are only tangentially related to the founding purpose of the N.I.H. Moreover, where will it end? "Given the many unresolved disease entities, there is virtually no end to the possibilities for the creation of additional categorical institutes," warns Dr. Edward Brandt, assistant secretary for health at the Department of Health and Human Services (H.H.S.).

The increased availability of funds has spawned a vast industry of research parasites. Dr. Marcia Angell, deputy editor of the *New England Journal of Medicine*, notes that N.I.H. grants have generated "a huge and unwieldy literature that is difficult to evaluate because of its size and the clutter of repetitious and often trivial reports." Virtually all grant applications are judged to have some utility, and no firm criteria are used to discriminate between worthwhile research projects and others that simply should not receive federal money. Moreover, according to Dr. John Bailar III, former editor of the *Journal of the National Cancer Institute*, "Blind alleys in biomedical research don't get closed off as quickly and efficiently as they could."

Pork Barrel Medicine

Each year several grants are handed out by the N.I.H. not because of medical research needs but as a result of pressure by congressmen who are in the grip of special interest lobbies. Last year for example, Congress earmarked $4.5 million for a cancer research center at West Virginia University as a tribute to former Senator Jennings Randolph, whose wife died of cancer, even though peer review by National Cancer Institute specialists gave the project low marks.

The National Arthritis Institute was recently okayed by Congress in response to fierce lobbying by interest groups and pressure from Republican Senators Barry Goldwater and Steve Symms, although biomedical research leaders and top N.I.H. officials opposed the new institute. As Pierre Renault, acting director of the N.I.H. branch that currently supervises arthritis research, put it, the new institute "makes no scientific sense," especially considering

Courtesy of Coleco Industries, Inc.

A $58,160 N.I.H. grant is aimed at developing non-sexist toys for children.

"such remarkable crosscutting of fundamental concepts, such as immune mechanisms and genetics."

But again and again the scientists are overruled by congressmen and their lobbies. Resignation has set in at the N.I.H. "Sometimes worthless research is called for by Congress," admits Richard Kusserow, inspector general for H.H.S. "We get the pork barrel problems."

All this suggests that the public should be more skeptical of even the most noble-sounding government programs. The attitude cannot be the one that Kusserow describes, namely, that the N.I.H. is "an area where people are willing to throw money out in the hope for some results to come back." Congress can cut back the N.I.H., as it can cut back virtually all its programs, without a significant loss of public service or harm to the public interest. Supporters of a strong and effective govenment role in medical research should agree.

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BEYOND RAMBO

How *White Nights*, an Anti-Communist Classic, Was Made

JOHN V. N. PHILIP

White Nights is a film that breaks sharply with the prevalent ethos in Hollywood. Although conceived in 1982 before the current crop of *Rambo* pictures, it presents the Soviet Union in a powerfully realistic way—as a cynical and totalitarian state. This is a departure from the genre of *Missing* and *Z*, common in the 1960s and 1970s, in which U.S. foreign policy was presented to be just as immoral and imperialistic, if not more, than Soviet foreign policy. Hollywood directors have long been preoccupied with the crimes of the bad guys "we are supporting," and their movies reflect a sense of mission to bring the bad news home to the American people. Taylor Hackford, who directed *White Nights*, is not one of this crew who think that America is the sponsor of most of the evils of the world. Yet *White Nights*, unlike *Rambo* and *Red Dawn*, is notable not just for its anti-Communist message but also for its elegant artistry.

The plot, as it finally developed after three years of work by Hackford and two writers, concerns ballet star Nikolai Rodchenko (played by Mikhail Baryshnikov), a defector to the West, who is accidentally returned to the U.S.S.R. when the plane he is traveling on crashlands on a Siberian airfield. Immediately the K.G.B., in the person of the urbane and cruel Colonel Chaiko (Jerzy Skolimowski) cajoles and threatens Rodchenko to try to convince him to dance again at the Kirov in a propoganda triumph for the U.S.S.R. Chaiko draws in a black American Vietnam War era deserter, Raymond Greenwood (Gregory Hines) to help pressure Rodchenko. And he forces Rodchenko's ex-ballet partner and ex-lover, Galina (Helen Mirren) into the plot.

But Rodchenko has tasted life abroad, and understands that it offers far more than material advantages. Meanwhile Greenwood, the American, has experienced "Soviet reality," and is beginning to have quiet doubts. What Rodchenko says to Greenwood and Galina of America and freedom finally convinces them to help him to escape, and indeed after much soulsearching Greenwood decides to join him. In a harrowing climax, Rodchenko, Greenwood, and his wife Darya (Isabella Rossellini) all make it to the West.

The portrait of totalitarianism in *White Nights* is not compiled from scenes of torture or of the mass graves of secret police victims. Rather, the screenplay dramatizes the all-pervasive K.G.B. control of the lives of Soviet people, privileged as well as unprivileged. And it focuses on the evidence of privilege itself as the ongoing contradiction of the official ideology.

Quiet Totalitarianism

Chaiko is the symbol of the state and its police power. He can be alternately vicious or ingratiating as policy demands, and he suavely mixes threat with every inducement. Greenwood, once the excitement of defection and his usefulness to the Soviet authorities has passed, has found himself forced to take up his pre-U.S. Army career as a tapdancer and actor in a squalid Siberian town. Chaiko assures him that if he convinces Rodchenko to dance again he will be allowed to resume his acting career in Moscow. If he fails, he promises Greenwood, he will end his life working in a Siberian mine.

Everywhere at the Kirov, and in Rodchenko's apartment, someone is listening and watching. Chaiko has installed Greenwood and Darya in the ballet star's home as spies. There is a squad of police to keep an eye on all three. Cameras watch the two dancers even as they rehearse.

But neither Greenwood nor Galina is any match for Rodchenko dialectically. It is in their conversations that the script makes some of its most apt—and in film, rarely heard—political points. In a drunken tirade before the K.G.B. takes them from Siberia to Leningrad, Greenwood denounces Rodchenko as a naive fool, who knows nothing about the black and oppressed in America. Rodchenko assures him that "things have changed." And looking about Greenwood's dingy apartment, Rodchenko pointedly asks him if he really made the right choice. Nor is he shaken by the black dancer's attack on him as a traitor to his socialist motherland. "I'll always be Russian," he replies, "I'm just no longer Soviet." He easily thwarts Greenwood's pathetic attempts to mask his subservience to the secret police. From depressing familiarity, Rodchenko knows that the deserter can only be speaking for Chaiko

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when Greenwood tells him his "attitude" will get him nowhere.

As the two spend time together, Rodchenko is able to further undermine Greenwood's weak convictions. The apartment in which they are staying is the same luxurious home that Rodchenko left when he defected. The K.G.B. plies them with foods that Darya has never even seen. "The elite in this country," he assures them, "live just as decadently as any in New York or Rome." Greenwood begins to realize that it was not for material benefits or fame that Rodchenko left the Soviet Union but for that indescribable feeling called freedom.

Privilege abounds among the Soviet upper class at the Kirov. Galina has beautiful imported clothes, an elegant apartment, and drives a Mercedes. Chaiko is sharply tailored and exercises in a private gym, with closed circuit camera hookups to Rodchenko's rehearsal hall. The secret police colonel seems to be a master of the system, although we can only suppose he answers to another Chaiko above. For Galina, the price is clear. After Rodchenko's defection, she went to enormous lengths to clear her name with the K.G.B. and ascend to a position as director of the Kirov. She is now Chaiko's mistress.

Dance of Freedom

But the power of the film's political statements would be undermined were it not enhanced by the film's considerable artistic achievement. Hackford is known in his career for his work with popular music. It became his ambition with *White Nights* to couple it with classical in a dramatic story where the main characters are dancers and the dance numbers grow naturally out of the dramatic action instead of being presented as performance pieces.

He succeeds admirably. The ballet of Baryshnikov can hardly be less than spectacular in any circumstance, but scored with the innovative contemporary choreography of Twyla Tharp, dance becomes a stunning metaphor within the script. As the characters that Baryshnikov and Hines play work out in a Leningrad rehearsal studio, their exercises soar into dazzling, spinning duets. The surefooted Rodchenko sweeps in great leaps across the floor. Greenwood struggles to keep up. In the film's most striking moment, Rodchenko improvises a heartwrenching solo for Galina, to the throaty anguished voice of the banned artist Vysotsky. He performs—in great part—on his knees, his fists gripped in sorrow and anger. It becomes an eloquent "cry for his beloved country."

As confident as Baryshnikov's dancing is Hackford's direction. He moves the story forward at a steady, well-measured pace towards its dramatically staged finish. He lingers carefully over dance and scenes that draw out expertly the strengths of his extremely varied and talented cast. His steady realistic style immeasurably strengthens the impact of a plot that could otherwise easily collapse into melodrama.

The realism is enforced both by the camerawork and the expert use of music. David Watkin gives to the film the same straightforward but innovatively framed camera eye that sparkled in his *Chariots of Fire*. And with Michel Colombier, Hackford was able to put together a score that included the vibrant pop music of Lionel Richie and Phil Collins, among others, and whose rock and roll beat exemplifies the overwhelming allure of the West's exuberance and freedom.

Baryshnikov brings to his role the understated grace of the natural actor. With a part that must inevitably refract on much of his own experience, he has the craft to muster a quiet intensity for the lines that strike closest to home. The understated dismissiveness he displays towards Greenwood's anti-American verbal assaults only underscores his deep empathy for this man who is forced to repeat lies.

Hines, also more practiced in his career as a dancer than an actor, nevertheless conveys impressively the total confusion and dawning despair of Greenwood. His long diatribe to Rodchenko against American racism effectively melts into the welter of emotional turmoil and indecision that betrays his essential weakness. It is a tribute to both the actor's and director's sense of truth that neither felt the need to ennoble Greenwood's original defection.

The cunning and evil Chaiko is played by Jerzy Skolimowski with the glee of someone settling old scores. An emigre like Baryshnikov, he knew Chaikos from personal experience. He and Hackford make no attempt to make the character "sympathetic" in order that he be more "believable." As Skolimowski wrote in a press release:"All my early experience was under so-called socialist regimes

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. . . Do men like Chaiko exist? Of course they do. How otherwise would the whole system function? . . . Such men are the polite faces of a repressive authority."

The roles of the women are more ambiguous. Helen Mirren plays Galina with enormous sympathy. But at the same time she does not obscure the fact that despite her fleeting help in Rodchenko's escape, the Kirov's directress has made her pact with the established order. Isabella Rossellini's Darya never emerges from a certain grayness as a warm and appealing woman with an overwhelming protective love for her husband. She seems finally motivated only by fear of capture, with little appreciation of the stakes inherent in an escape to freedom.

Two members of the supporting cast stand out noticeably. The indomitable Geraldine Page plays Anne Wyatt, Rodchenko's equally indomitable manager. Politically naive, she is nevertheless tireless in her outrage at Rodchenko's detention and her determination to bring him home. In John Glover, as C.I.A. agent Wynn Scott, we have an intelligent, scrupled secret agent on our side, intelligent enough to play the dumb American to get information in one scene, while clever enough as an actor to make us realize he does not hold his characterization as a stereotype.

Baryshnikov's Politics

What is amazing about this movie is that its makers started out with no political agenda. They wanted to make a picture about dance in an unusual setting using innovative contemporary music. It was casting, and a commitment to present the story setting accurately, that led them to make an impressive anti-Communist statement.

Director Taylor Hackford is a self-professed liberal Democrat who was active in undergraduate activism at the University of Southern California. After graduation, he served in the Peace Corps rather than fight in the Vietnam War, which he opposed. His career in Hollywood began at KCET, the Los Angeles public television station. He pioneered in the presentation of live television rock and roll performances, worked as an investigative reporter, and made documentaries, including portraits of counterculture heroes such as David Harris and Charles Bukowski. By the time he left KCET in 1978 he had won several journalism awards, two Emmys (for television excellence), and a reputation for realistic, accurate reporting.

Two feature films later, the director came to the attention of a major studio, Paramount. He was hired to make a big-budget picture, *An Officer and a Gentleman.* It was a tremendous hit, grossing over $100 million. Hackford explained in an interview, "I don't feel that I have to apologize for making entertaining movies." And yet, "To me, the important thing is for a film to have a point of view, rather than just a style."

With *Officer* came the first criticism of the political overtones of Hackford's work. It was a rousing film about working class upward mobility, suffused with patriotism and perhaps even a celebration of toughness. Hackford stressed the character-building that was part of making the grade for a Naval officer. But some critics called the film too macho; feminists assailed what they saw as a derogatory portrayal of women. And even the U.S. Navy hated the portrayal of one character whom it called "Old Navy" and suggested the director make him "a modern service chief who does community work a couple of nights a week," in Hackford's words.

In 1982, at age 38, Hackford came up with a concept for a film about dance using contemporary popular music. With veteran writer James Goldman (*A Lion in Winter*), he developed the story of *White Nights.* He began extensive research, traveled to the Soviet Union, and interviewed scores of emigres. Inexorably, the film's politics took shape. Not by design, stresses Hackford, "but you get trapped by your material. And as a filmmaker who had once made documentaries I was committed to a sense of reality in my films."

But even more important than his own research in terms of the script's final outlook was his choice of Baryshnikov to play the lead. The Russian star had consistently turned down all movie offers to film his defection and life in the U.S.S.R. But he accepted Hackford's offer. As quoted in the *Los Angeles Times,* he approved *White Nights* because "it's being approached very seriously, and there are not many serious films about the Russian people." For the three years of the film's development, Baryshnikov was to have a pervasive impact on every draft of the script. In Hackford's words, "I used Baryshnikov intensely and assiduously, asking him how he would react, how he thought they might react to him, what he would have done in different situations." In a rare dissent, Baryshnikov did take exception to the reconstruction of his luxurious former Leningrad apartment, complete down to personal objects and paintings he himself had donated. His life among the Soviet upper class, he told the director, had actually been grander.

The project bounced from Orion to Paramount to Columbia before it finally found a major studio distributor. The director dismissses the idea that politics affected the decision. Rather, neither Orion nor Paramount believed that Baryshnikov and Hines had the box office appeal to support a budget that was climbing over $15 million. "It was purely commercial," recalls Hackford. "Studio executives cannot espouse any political point of view . . . In the 60s, there was a mover and shaker in S.D.S. [Students for a Democratic Society] who later became a powerful executive at Warner Brothers. When Clint Eastwood wanted to make *Firefox* [a film with strong anti-Soviet and pro-American aspects] he was certainly going to go ahead with it."

Columbia appears to have been wise to take the gamble. To date the film has grossed more than $50 million worldwide, which means it has already attracted an audience of 10 million, not counting the millions more who will see the upcoming television and videocassette releases. With *Rocky IV, Rambo,* and *Invasion USA,* Hollywood does not need persuading these days that sound politics sells at the box office. But what distinguishes *White Nights* from these films is that, in addition to making money, it fuses ideology and art in a way that enriches both.

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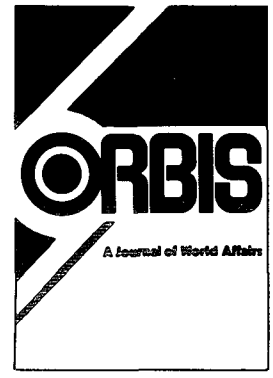

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CONNECTICUT

EZ Does It

CAIT MURPHY

In the last three years, House Ways and Means Committee Chairman Daniel Rostenkowski has twice blocked legislation aimed at opening up job opportunities for poor people in inner cities and distressed rural areas. The legislation would create 75 enterprise zones where businesses would receive federal tax incentives—including the elimination of all capital gains taxes, an increase in the investment tax credit, tax credits for new hires, and the unlimited use of industrial revenue bonds. Enterprise zone bills have passed the Senate in 1983 and 1984 and have been championed in the House by a bipartisan coalition ranging from Republican Jack Kemp to Democrat Bob Garcia of the South Bronx. But Rostenkowski has prevented an enterprise zone bill from coming to a vote on the House floor.

Meanwhile, in an example of American federalism at its best, state and local governments have taken the initiative in setting up enterprise zones of their own—without waiting for leadership from Washington. There are now some 1,397 zones in 645 jurisdictions in 21 states, and the results so far are encouraging. According to an estimate last year by the Department of Housing and Urban Development (HUD), 80,000 jobs have been created or retained within the zones, accounting for more than $3.1 billion in investment. Though 80,000 is but a small fraction of the nine million new jobs generated by the American economy during the past five years, the enterprise zone jobs are probably going to people who need them most.

Connecticut has achieved perhaps the most significant successes so far. It was the first state to competitively designate enterprise zones and it has one of the best developed programs in the country. Democratic Governor William O'Neill signed zone legislation in July 1981; by March 1983, the six zones were functioning. Since then, they have accounted for 8,500 jobs and $135 million in investment. Enterprise zones have by no means solved all the problems of Connecticut's ailing inner cities, but they have proved to be a low cost method of job creation and business retention in distressed areas.

As a wealthy state—unemployment is under five percent and per capita income is among the highest in the country—Connecticut's concern was that pockets of poverty in many of its older cities were not benefiting from the state's otherwise robust growth.

Eligibility criteria for zone designation was strict. The proposed zone had to consist of two contiguous census tracts in which 25 percent of the population was below the poverty level or 25 percent or more of the population was on welfare or the unemployment rate was at least twice that of the state. Sixteen cities qualified, six were chosen.

Connecticut decided to focus its efforts on attracting manufacturers. Incentives include:

- 80 percent local property tax abatement for five years;
- $500 or $1,000 job grants;
- 50 percent state corporate tax credit for 10 years;
- rate reduction for state industrial loans and industrial mortgage guarantees;
- state sales tax exemption on replacement parts.

Commercial and residential properties were eligible for a seven-year graduated tax deferral on improvements to property. All businesses could get access to job training benefits and a special venture capital loan fund.

After three years of operation, the evidence is strong that enterprise zones have worked for Connecticut. Naturally, some zones have been more successful than others, and it should not be assumed that every job or investment within a zone is necessarily due to zone designation. But the concept has proved itself in practice. Says John Carson, Commissioner of the Connecticut Department of Economic Development, "The zones are stimulating investment and new jobs that otherwise would not occur."

Norwalk

Norwalk was the first of Connecticut's zones to become operational. After some dramatic early successes, its pace of development has slowed, chiefly because few vacant buildings and land are left in the 500-acre area.

Surrounded by wealthy, mainly residential suburban communities, Norwalk is a blue-collar city with a declining industrial base. According to the 1980 census, the poverty rate was more than 20 percent for the two census tracts that define the zone. Unemployment was well above the state level; per capita income was under $4,700, about half the city average.

Norwalk is a good example of how a city can tailor incentives to its needs. Norwalk had little vacant land but a

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number of vacant buildings and some significant intrinsic advantages: proximity to New York City, access to a major highway, waterfront location, and a city administration committed to the idea. As the city stressed these assets, as well as the zone incentives, business responded. The area now has just three vacant parcels left, down from 149 in 1982, and six vacant buildings, down from 11. All told, as of May 1985, the Norwalk zone had completed or was working on 128 projects—13 industrial, 85 commercial or retail, 22 residential, and eight mixed use. It had attracted almost $30 million in investment, retaining 1,680 jobs and creating 469 new ones. The bulk of the activity has been in the commercial/retail sector, where the state does not offer job grants, so it is not certain who is benefiting from the new jobs. However, although total employment has fallen within the zone due to the departure of some old manufacturing plants, the unemployment rate has declined by more than 25 percent since 1983.

Even before zone designation, Norwalk officials had targeted this area of South Norwalk for special attention. They wanted to develop a maritime center along the waterfront and a historic district on Washington Street. The idea was to try to limit the effects of steady deindustrialization. "The enterprise zone was an overlay on existing activity, the icing on the cake," says Greg Dunn, project manager for the Norwalk Redevelopment Agency.

The most dramatic physical improvement is along Washington Street. "Ten years ago Washington Street was falling apart," says Robert A. Schwarz, a Norwalk real estate developer who has renovated four properties in the zone. Today it is a center of yuppie chic, complete with a premium ice cream shop that serves cappuccino, pseudo-Irish pub, gourmet pasta, and even a Textile Study Group.

Like many small northeastern cities, Norwalk is struggling to manage a transition from heavy, labor intensive industry to high tech and light industry. This kind of fundamental economic change cannot be centrally planned, but enterprise zones can improve the odds by aligning government with the forces of change.

New Britain

As one enters the New Britain zone, a large steel framework for an office building under construction looms overhead. It is an apt metaphor for the New Britain enterprise zone: the structure is in place, but no one is quite sure what it will look like until it is done.

New Britain's enterprise zone includes the city's downtown shopping district, as well as an industrial complex, two commercial strips, and a residential area. The city's biggest problem—and greatest asset—was the number of vacant buildings, such as the two anchors of the Newbrite Plaza, a pedestrian mall in the middle of downtown, and the former headquarters building of Stanley Works, still a major employer in New Britain. New Britain zone officials wanted to encourage the development of this empty space into commercial and office uses, while retaining the existing manufacturing base.

Their first success was the revitalization of Newbrite Plaza. A Finast store filled one anchor, creating 300 jobs. A tire store and a women's clothing store filled the second, and interest in the center's other spaces immediately picked up. New Britain developers have poured about $8 million into Enterprise Grove, a former screw factory that is being converted into premium office space. The city has invested $500,000 in streetscaping and landscaping to give Enterprise Grove more of an office park atmosphere. The Lafayette Place plan calls for an office building, shops, and restaurants. The developers of such projects get a tax abatement on renovations; and new tenants are allowed a personal property tax abatement for three years, an incentive unique to New Britain.

Successful enterprise zones are not the pristine free market enclaves envisioned by their initial proponents.

The John Street project is an interesting example of the flexibility of the enterprise zone. Viking Aluminum wanted to expand and was looking outside New Britain. Instead, the city traded a building it owned for Viking's plant buildings. Viking stayed in New Britain, and is adding 100 jobs. The city renovated the two buildings they got in the swap, then sold them to a machine shop and a packaging plant. The result was 80 more jobs. The zone has also encouraged smaller retail businesses, like Chuck E. Cheese, the Liquor Depot, and Meineke Muffler, and the tax abatements for improvements on commercial and residential property have been widely used.

In the last three years, about $35.5 million has been invested in the New Britain enterprise zone, over two-thirds of that into commercial and retail uses. This has accounted for 603 jobs retained and 1,492 new jobs—the largest number of new jobs for any of Connecticut's zones. In both census tracts, unemployment has gone done by more than 25 percent since 1983, though the rates—15.5 percent and 10.2 percent—are still much higher than the city's 6.1 percent level.

New Haven

Most of the development within the New Haven zone would have happened even without zone designation, admits Scott Cleveland, zone coordinator. "But in combination with other factors, enterprise zones made a much more attractive overall picture."

The centerpiece of New Haven's 700-acre enterprise zone is Science Park, an 80-acre high tech and light industrial park, which predates zone designation. Developed by Yale University, the city of New Haven, the state, and Olin Corporation, it features two business incubator buildings, which provide support services for 85 entrepreneurs in high tech fields.

So far, a large proportion of the jobs created have been technical positions unsuitable for most zone residents; however, an IBM computer education facility trains 90

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Courtesy of the Norwalk Redevelopment Agency.

Washington Street, which was "falling apart," has benefited from enterprise zone designation.

students a year in entry level data and word processing. About 95 percent of graduates have been placed, many of them within Science Park. There are also training programs in building maintenance, light construction, and telephone installation.

As more buildings on the site are rehabilitated, zone officials hope to add more light manufacturing companies, which are better suited to take advantage of zone incentives. Despite its limited impact on neighborhood revitalization so far, the mayor of New Haven, Science Park officials, and the local press continue to believe that such economic stimulation will have long-term benefits to the community. "It's absolutely worth continuing," says Cleveland.

New London

New London's Shaw Cove Urban Renewal Area is the only neighborhood in Connecticut where unemployment has increased since being designated as an enterprise zone. But this trend should reverse with the completion of a $20 million project by the Schnipp Development Corporation, which is building seven research and technology buildings on a 22-acre site. When finished in 1990, the development will be almost 300,000 square feet large, and employ 2,000 people. Zone designation seemed to touch off a competition between developers for the site, which had been vacant for a decade. Zone incentives were a "big asset" to the project, according to the developer, John Schnipp.

New London's zone is only 125 acres, so the Schnipp project has had an incredible impact on that small community. Says zone manager Charlotte Schroeder, "The incentives of the enterprise zone program have definitely been a catalyst for the development which is occurring." Officials hope that the zone can work similar wonders with the only large parcel of land left, the privately owned 24-acre former New London Mills site.

Hartford

Hartford has the most checkered history of the Connecticut zones. The two census tracts in which it is located are the poorest in the city. The poverty level in one tract was 65 percent, with 40 percent unemployment and 46 percent of all households on welfare. In the other tract, the numbers were almost as bleak: 50 percent poverty, 19 percent unemployment, and 31 percent on welfare. The 320-acre area has more housing units than businesses; 98 of the 113 projects undertaken up to August 1985 dealt with residential properties. There is limited land zoned for industrial and commercial use. Added to these endemic problems was the fact that the Hartford city government was focusing its efforts on downtown redevelopment. The enterprise zone was left to sell itself. It didn't.

In May 1985, the Citizens' Research Education Network (CREN) published a scathing analysis of the Hartford zone. Among other things, CREN claimed that only 12 percent of businesses in the zone were even aware of the incentives, that private investment was stronger before zone designation, and that many of the 218 jobs the zone took credit for would have been created regardless of the zone incentives.

The basic problem was that the city had failed to make a commitment to the idea. That may be changing. Says Bob Sadler, vice president for programs for the Chamber of Commerce and a member of the newly founded Enterprise Zone Advisory Committee, "After the last City Council election in Hartford, there was a real priority put on the zone." Agrees Norvell Goff, majority leader of the City Council, "I sense there is a commitment on the part of the corporations, the government, and the community to make it work."

Perhaps the most important symbol of this commitment is Beverly Dawes, Hartford's first fulltime zone coordinator. She has enticed a number of small businesses into

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the zone already, including a bookstore specializing in black studies, an interior decorating shop, a car wash, and a manufacturer of injection moldings.

Her latest coup is attracting a maker of Jamaican-style beef patties, Horace Dodd, who is moving to the zone from New York City. He hopes to have 20 employees by the end of the year, and plans to hire from within the zone to take advantage of the job grants. Dodd was looking at Hartford locations for his plant, but "after I found out this area was an enterprise zone, we tried hard to make certain we came into this area." He has applied for every zone incentive offered, and has benefited from the local office's assistance with zoning and regulation problems.

It is too early to judge the effect of the Hartford zone, since the city has only recently begun to take it seriously. But it finally seems to be on the right track; Dawes is currently working on 20 projects, and the spillover from downtown renewal may he helping. Unemployment is still high—over 30 percent in one tract and almost 15 percent in the other, but down from 1983 levels. The true test of the enterprise zone experiment in Hartford is just beginning.

Bridgeport

In contrast to Hartford, Bridgeport has perhaps been the most professional of the zones from the start. It has the largest staff of any of the Connecticut zones, three fulltime employees, and its marketing strategies have been copied throughout the country. It has attracted some 1,200 jobs, 1,000 of them new, and $16 million in investment, two-thirds of that industrial.

Upon designation as an enterprise zone, Andrew Mayo, head of the Bridgeport Urban Enterprise Zone office (B.U.E.Z.), sent a mailing to every business and every property owner in the zone to inform them of the incentives available to them. Referral groups such as realtors, professional associations, and banks also received a mailing.

In addition, the B.U.E.Z. publishes a quarterly newsletter and sends a press release every time a business moves into or expands within the zone. Mayo speaks regularly before community organizations such as Kiwanis and Rotary, sometimes with an accompanying audiovisual presentation. The staff maintains an inventory of available property and buildings for interested business. Borders of the zone feature a "Welcome to the Bridgeport Enterprise Zone" street sign. It's all very slick—and very necessary, considering Bridgeport's poor image in southern Connecticut.

The biggest project so far is an industrial park taking shape in an abandoned drive-in movie lot. When it is finished, the developer estimates there will be 500 new jobs. Another forthcoming project is the Bridgeport Hydraulic Company, which is occupying a grimy brick building that has been vacant for years. The new firm will bring 70 jobs.

The best example of the potential of the Bridgeport zone is Le Font Electronics, founded by Venoal Fountain, who grew up in the east end of the city, where the zone is located. Fountain initially refurbished about 18,500 square feet in the former Singer Sewing Machine building. A year later he doubled its size, and last year, he built a second facility, also within the zone. Le Font Electronics now employs about 120 people making parts for the telecommunications industry, most of whom live within the zone. "The enterprise zone was one of the things that got us to move into this site," Fountain told the *New York Times*. "It's also a chance for an entrepreneur to start up a company and face all the obstacles you're hit with."

Bridgeport is probably the most successful zone in Connecticut in terms of creating jobs for its residents. Unemployment has fallen by 31 percent in one tract and 35 percent in the other, the greatest decline of any zone in the state. Bridgeport found a niche in small commercial and manufacturing business development and exploited it successfully. A 1984 report by the New York State Legislative Commission estimated that 80 percent of the new jobs had gone to zone residents.

Mayo estimates that at least 60 percent of the development would have taken place without the zone, but he credits the zone for helping to target resources more effectively and increasing confidence in the area among investors and property owners. "Our experience has been very positive."

How Enterprise Zones Are Different

Connecticut recently completed an assessment of its zones and the legislature is voting on modifications. The proposed legislation calls for the creation of three new zones, the enlargement of two current zones, and the expansion of certain incentives. The state was surprised that over two-thirds of the new investment was in the commercial sector, although the manufacturing incentives were more generous. One possible change is to extend the job training grants to commercial businesses to encourage them to hire zone residents. The report concluded that the zones "have had a positive impact on urban blight and have brought new investments to our central cities" at a "very good rate of return for state and local dollars." The Connecticut General Assembly seems likely to approve the requested changes and vote to expand the program. Enterprise zones, it seems, are in Connecticut to stay.

The Connecticut experience illustrates a number of important points. Successful enterprise zones are not the pristine free market enclaves envisioned by their initial proponents. An ongoing commitment by local officials, both in personnel and in improved support services, seems to be necessary. Simply legislating tax relief and then sitting back to watch the ghetto bloom does not work. The key is to allow local governments enough flexibility in using state incentives to persuade the private sector to invest.

Nevertheless, enterprise zones are substantively different from previous government-run economic development programs. For one thing, they allow a much greater degree of flexibility and local control. "What enterprise zones do is create a framework to achieve neighborhood revitalization and job creation. It is accomplished by choices made with incentives, with neighborhood input. It's not a study group in Washington deciding what's best," says Joe Lupica, former Department of Housing and Urban Development liaison to the White House on enterprise zones. Indeed, there tends to be only a token government presence. Most of the Connecticut zones are coordinated out

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local development offices; typically, one or two people spend part of their time overseeing them. In New Britain, the enterprise zone is administered by a private, non-profit council.

Enterprise zones do not require—or even encourage—large-scale public projects. Unlike slum clearance and many urban renewal projects, there is no demolition of neighborhoods and small businesses in the name of economic development. Some zones do receive public investment in the form of infrastructure improvements—a new road will open in Norwalk for example, that will link the zone's industrial corridor to an interstate highway—but otherwise construction and demolition is left to the market. The out-of-pocket costs for states are minimal.

Third, enterprise zones zero in on the areas needing the most help. Geographical targeting according to census tracts ensures that the program will not turn into another Model Cities or UDAG pork barrel in which even Beverly Hills could get a share.

What enterprise zones do best is to persuade businesses to stay or to locate in distressed areas. Many factors go into a location decision, but the extra incentives of an enterprise zone are frequently decisive. Connecticut found that the prestige of being an enterprise zone "often generated a kind of psychological boost encouraging the investments," according to the report of the Connecticut Department of Economic Development in December 1985. Often a zone becomes a catalyst for other neighborhood activity such as block watches and cleanup programs. Carol Gaetjen, the Connecticut zone coordinator from June 1982 to November 1985, says that "neighborhoods came alive in enterprise zones in Connecticut." Employment trends are also encouraging: one study estimated that zone residents or disadvantaged workers received 30 to 60 percent of new jobs in the zones. Finally, unlike other urban policies that tore apart the fabric of neighborhoods, enterprise zones can hurt no one. The worst that can happen is that no new business comes into the zone; in that case, the area is where it started.

Imagination of the States

In designing a zone, a city should not randomly pick distressed census tracts, but "should draw boundaries in such a way as to link with other neighborhoods with take-off potential," according to Dick Cowden, director of the American Association of Enterprise Zones. Drawing a zone line around a purely residential neighborhood is not going to draw businesses in: the zone boundaries and incentives must match business needs. Also, the zone should have something to offer besides its poverty—vacant land and buildings, proximity to major transportation routes, a skilled workforce, or other such assets can only help make the zone successful.

Twenty other states have adopted the enterprise zone idea. The most common incentive is relief from income, property, and sales taxes, but the states have proved ingenious in designing incentives and programs to fit local business needs.

- In Louisville, Kentucky, labor unions have promised not to strike within the zone for 20 years, as long as employers promise not to lock out workers and to resolve disputes through arbitration.
- By relaxing some building code regulations, as well as offering tax breaks, Chicago convinced Spiegel to stay in the city. Instead of relocating to the Sunbelt, Spiegel is putting $20 million into renovations.
- In Decatur, Illinois, urban homesteading and shopsteading programs allow purchasers to buy government-owned buildings for a low price in return for making substantive improvements.
- Ohio uses income tax credits to generate loans for zone businesses and to reimburse employers for job training and day care services.
- Tennessee sets aside state educational assistance grants and guaranteed student loans for zone residents.

What all these programs have in common is the indirect way they encourage economic development. Instead of massive infusions of government money and detailed central planning, enterprise zones create jobs and revitalize neighborhoods through loosing restraints on free enterprise. They don't solve the problems of crime and drug abuse and alcoholism and illiteracy in inner cities. But in the words of Connecticut's Governor O'Neill, enterprise zones are "proving to be the most powerful approach yet to rebuilding our urban neighborhoods."

Whither The Tax Revolt?

New Approaches to an Old Problem

PATRICK MCGUIGAN AND KRISTIN R. BLAIR

Ronald Reagan rose to the Presidency during a wave of populist tax-cutting enthusiasm that peaked in 1978 and 1980, but has sustained itself in occasional victories at the grass roots level in the years since. The next three years will reveal whether the tax revolt that helped carry Reagan to the Presidency has ended, mellowed, or simply changed.

Citizen-sparked tax reduction and limitation initiatives have faced rough times in recent years, leading many analysts to speculate on the demise of the modern tax revolt. "Tax Revolt Falters," proclaimed a *Wall Street Journal* headline of November 29, 1983. "The Tax Revolt Runs Out of Steam," said another in *U.S. News and World Report* in November 1984.

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A number of factors, ranging from adverse court decisions changing the rules of initiative politics to the acceptance by some liberal Democrats of many premises of tax-cut activists, make it clear that current tax-cut activism in the states is directed into campaigns different in style and substance than the efforts of only a few years ago. Nevertheless, activity in Oregon, Massachusetts, Florida, California, and New Jersey make it clear that tax reduction activism remains a viable political force in the states—just as at the national level.

The Lessons of Oregon

Those who think that the tax revolt has seen its final days might want to contact Oregon Governor Vic Atiyeh, a moderate Republican, before planning to introduce tax hikes. With the support of virtually the entire political and corporate establishment, last fall Governor Atiyeh and his allies in the state legislature pushed for popular approval of a five percent sales tax, coupled with promises of property and income tax reductions. Proponents spent a hefty $1 million to send out two million pieces of pro-sales tax direct mail, as well as radio and television advertising. Shortly before the election, Diana Daggett, campaign manager for People for a Better Oregon (the leading pro-sales tax group), told the *Initiative and Referendum Report,* "Every statewide official endorses it. It's an unbelievable coalition. People who have never agreed on anything are backing this."

Voters rejected the sales tax proposition, 643,022 (78 percent) to 183,307 (22 percent), in balloting conducted September 17, 1985.

The Oregon establishment did not reckon sufficiently with the deeply held sentiments of voters in a state which has now rejected the sales tax concept seven times since 1933. The outcome was really no surprise to perceptive analysts of Oregon politics, but one cannot help but note that opponents of the sales tax spent only $50,000, putting them at a 20 to 1 disadvantage in resources.

Bill Dawkins of Oregon Taxpayers United (O.T.U.), an affiliate of the National Taxpayers' Union and the leading anti-sales tax group, says, "The 'no' vote picked up in direct proportion to the amount of advertising done by the proponents. It's a case of overkill. There's a great suspicion about anything the Legislature does. . . . The perception is that the Legislature is controlled by special interests, including primarily the public employee unions and some big business interests."

Although the Oregon results were admittedly reactive—a grass roots response to the attempted imposition of a new tax—there is reason to believe that the tax-cut movement in Oregon and in other states can still seize the initiative with tax reduction drives in 1986 and beyond.

Dawkins works for one of the icons of the tax-cut movement, crusty old Ray Phillips, the personification of the movement's blue-collar, Democrat-leaning constituency (although Phillips is a Republican himself). Orphaned at age nine, Phillips was a bantamweight boxer during his years in the U.S. Navy. After a career as a boilermaker, he turned to public life. In what may be the quintessential description of the spark that drives the tax-cut movement, Phillips admits:

> I like being a rabble-rouser. If the Legislature did what it is supposed to do, we wouldn't have to be out collecting signatures. The legislators spend too much time listening to lobbyists and not enough time listening to the people. Taxpayers don't control taxes anymore. That's what our measure would do—give power back to the people.

Phillips, Dawkins *et al* are at it again. In tax-cut campaigns in 1978, 1980, 1982, and 1984, the O.T.U. has shown it can craft proposals broadbased enough to garner ballot status and a great deal of popular support. Their 1984 tax-cutting proposal lost, but by less than two percent.

A new initiative—slightly moderating provisions of the previous efforts—entered the field this winter. Facing a summer deadline for the collection of enough signatures to assure ballot status in November, O.T.U. and its allies are efficient enough to make the ballot—if they wish. It would not be surprising, however, if the Oregon tax-cutters bided their time to monitor the long-term reaction of legislators to the establishment's crushing defeat last fall.

Bay State Blues

The clearest sign that the tax revolt can still rally the troops is in Massachusetts. In the Bay State, tax-cut groups joined forces to seek repeal of the 7.5 percent income surtax and to place a cap on state spending.

Under the Massachusetts system, activists seeking ballot status for a citizen-sparked measure go through an indirect initiative process. Simply put, after gathering a sufficient number of valid signatures on initiative petitions, the state legislature gets a chance to consider the proposal, with the options to either enact the law outright or make revisions before placing it before the electorate.

Successfully reenergizing the activism that first shook the state political establishment six years ago, Citizens for Limited Taxation (C.L.T.) activists last year gathered 137,153 initiative petition signatures, although they needed only 61,508 to secure ballot status.

Providing an interesting twist to the story, Governor Michael Dukakis, a liberal Democrat, endorsed the permanent surtax repeal portion of the initiative. After Dukakis's astounding announcement—10 years ago, he insisted the surtax was necessary for the state's financial stability—Democratic legislators followed suit and that part of the C.L.T. initiative was enacted into law.

Dukakis and the legislators said the tax repeal was possible because of the $202 million budget surplus the state government is enjoying—a surplus conservatives say is a supply-side result of the tax reductions flowing from Proposition 2 1/2, the 1980 initiative C.L.T. pushed under the leadership of Barbara Anderson. The years since enactment of the initiative have been marked by a dramatic boom in investment and business development in the state conservatives used to call "Taxachusetts."

Political analysts contend the upcoming election, in which the governor faces a tough fight, sparked Dukakis's switch on the surtax. Among those who might face him is former governor Ed King, a tax-cut proponent who recently switched from the Democrats to the GOP.

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The portion of this year's initiative that legislators had not acted upon as this article went to press would, in Barbara Anderson's words, mandate that "state tax revenue [increases] cannot exceed the growth in Massachusetts' wages and salaries." If legislators demur, Bay State citizens will decide the issue for themselves this November.

Dukakis's astonishing reversal on the state income surtax is reminiscent of the reversal of another liberal politician—California Governor Edmund "Jerry" Brown. Brown went from being the strongest critic of Proposition 13 in the spring of 1978 to being a national spokesman for a balanced federal budget in the summer. Michigan Governor James Blanchard went through a similar transformation, rolling back much of a 38 percent tax increase which had sparked both legislative recalls and a tax reduction initiative in his state in 1983-84.

Tax Initiatives in the Sunshine State

A property tax reduction effort is underway in Florida, where Floridians for Tax Relief (F.T.R.) filed a major tax-slashing effort for the 1984 state election, only to see the measure stripped from the ballot in what may be the most controversial Florida Supreme Court decision of recent years: the Court maintained the initiative violated the state's "single subject" rule for citizen initiatives. Ed Havill, statewide chairman for F.T.R., says they will push for a more limited, but still significant, initiative designed to limit annual property tax increases to three percent. In a state where tax levies have jumped as much as 100 percent a year in some local jurisdictions, such a restriction would have substantial impact.

As this article was written, the F.T.R. drive was enjoying less success than in past years. Facing a deadline of midsummer for the collection of the 300,000 valid signatures needed to secure ballot status in November, F.T.R. activists still had less than 100,000 names in hand. Part of the reason for the slow pace of signature collection was a conscious decision by Havill and Dave Zachem, his colleague in F.T.R.'s leadership, to watch what legislators do in response to Governor Bob Graham's call for a variety of tax increases. If such tax hikes, particularly in property tax levies, were enacted by the end of the spring, F.T.R. activists could still gather sufficient signatures to make this year's ballot. Just as likely, F.T.R. might wait and re-aim the initiative for a 1988 ballot.

California Dreams

The wily veterans of California's Proposition 13, Howard Jarvis and Paul Gann, remain active despite personal and ideological setbacks in recent years. In 1984, Jarvis's Proposition 36 suffered rejection, while in 1980 Paul Gann was buried in his challenge to Senator Alan Cranston.

This year, Jarvis is pushing an initiative designed to correct a loophole in Proposition 13 created by the state Supreme Court under the stewardship of Chief Justice Rose Bird. Although Proposition 13 had forbidden increasing or creating "special taxes" without a two-thirds popular vote, the Court ruled that local governments and special districts can create new taxes or increase existing ones without such a popular vote. The latest Jarvis initiative would reaffirm that any new tax imposed by the state must pass a two-thirds vote of both houses of the legislature.

Joel Fox, of Jarvis's American Tax Reduction Movement told the *Initiative and Referendum Report* in January 1986 the initiative would secure ballot status easily through the tax veteran's finely honed direct mail methods. Facing a May 15 deadline for the collection of sufficient signatures, the Jarvis measure will almost certainly be on the November ballot.

In contrast to the Jarvis initiative, which stands in the tradition of tax reduction and limitation initiatives since 1978, Paul Gann's latest effort demonstrates that some tax activists are focusing on different aspects of state policy than simply taxes and overall expenditures.

The new Gann initiative follows in the tradition of his Proposition 24, which sought to limit the size of the state legislature's operational budget. The latest measure would limit salaries of state and local officials, including judges, to 80 percent of the governor's pay, set by the initiative at $80,000. It is unclear how much money the initiative might save, but Gann is well organized and appears on track to collect the 693,000 valid signatures needed to secure ballot status for this November.

Many veterans of past Jarvis-Gann initiative drives are focusing their energies on what may become the political equivalent of Proposition 13—the effort to persuade California voters to refuse reconfirmation to controversial Chief Justice Rose Bird of the state Supreme Court. Bird has gone much further than most liberal judges to offend the sensibilities of most Californians: she has rejected the death penalty in *every* case to appear before the court since 1978.

However, she is a special target for tax reduction activists because of her role in stripping two qualified initiatives from statewide ballots within the last three years—something the court had done only once previously in the entire history of direct democracy in California.

A New Wrinkle in Jersey

One of the most active tax reduction groups in the country is United Taxpayers of New Jersey (U.T.N.J.) under the leadership of the curmudgeonly Sam Perelli. But the Garden State does not allow the initiative and referendum process, forcing U.T.N.J. activists to work through the normal legislative process: in other words, legislators have thwarted substantive tax reduction efforts in the state.

Perelli has been working with increasing effectiveness to amend the state constitution to include the initiative process. Repeatedly since the late 1970s, Perelli has managed to secure action in one chamber of the legislature or the other, only to see legislation killed in the other chamber by a stubborn committee chairman.

Perelli's ace in the hole is popular Republican Governor Thomas Kean. Although he has not pushed for substantial tax reduction or limitation, Kean has been a champion of the initiative process since he was first elected in 1981. When he was overwhelmingly reelected last November, Kean brought with him a GOP majority in the state Assembly for the first time in many years. That same Republican majority is overwhelmingly pro-initiative.

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Working with a coalition of direct democracy activists, including a wide range of liberal organizations, Perelli spent last winter and this spring preparing for legislative action on the constitutional amendment to create an initiative process. If the proposal clears the legislative hurdles and secures a spot on the ballot for this year, the odds will favor popular approval despite high-powered and well-funded opposition. Should all this come to pass, there is little doubt what will be the subject of Sam Perelli's first initiative under the new system.

Winning through Moderation

Tax activists might enjoy more success by moving toward more moderate proposals and with better strategic planning. Says Sylvan Feldstein, vice president at Merrill Lynch Capital Markets, "Proposition 36 [an attempt to reinvigorate certain provisions of Proposition 13] lost this time in a Presidential election. . . . It might do substantially better in a primary election." Polls show that Proposition 13 itself remains popular with California voters, making direct assaults on its provisions unlikely.

No recent issue—not utilities, not the environment, not even the nuclear freeze—has faced popular scrutiny more often. Win or lose on given ballot propositions, the tax-cut movement, in states with the initiative and referendum process, has determined the boundaries of political debate on tax and fiscal policy. It is still a force to be reckoned with, though the recent victories have been less dramatic than some of the sweeping measures of the past. To be sure, the tax reduction movement has suffered setbacks. Four initiatives based on Proposition 13 failed in 1984, and it is increasingly difficult to get tax-cutting proposals onto the ballot.

But popular rejection of Proposition 13 "clone" initiatives is not at all shocking. Such dramatic tax reduction proposals have always tended to lose, even at the height of tax-cut fever in the late 1970s. Draconian property tax-cutting initiatives prevail only when staggering tax increases have occurred within a relatively short time. This was the situation in the three states where such initiatives passed: California and Idaho in 1978 and Massachusetts in 1980. Eleven other proposals in six states failed.

On the other hand, moderate tax limitation propositions have always tended to succeed, although Eugene Meyer, formerly of the National Tax Limitation Committee, notes that even moderate victories are frequently undercut by legislatures or the courts. In Michigan, for example, despite the passage of the Headlee amendment, which was designed to limit the growth of taxation and spending, state spending has accelerated substantially in recent years. In California, the novel judicial interpretations of the language of Proposition 13 have gutted the intent of the initiative framers. Still, there is no denying the straightforward political success of the moderate limitation measures. Over the last decade, 10 of 12 such proposals in 11 states have passed; the last one to fail was Colorado's in 1978.

Many ballot propositions—initiatives or referred proposals from state legislatures—fit neither of the preceding models. Such measures as cutting or indexing income taxes and eliminating inheritance taxes succeed about half the time. Seven states have passed such proposals.

This pattern of victory on moderate proposals but defeat on draconian ones has held true since the tax revolt burst onto the national scene in 1978. That year, voters in five states faced limitation proposals, while voters in two other states passed judgment on tax reduction measures in the mold of Proposition 13. In 1980, voters faced only one limitation measure, but seven Proposition 13 clones.

The results were mixed. In 1978, five of the seven generally moderate proposals passed, while in 1980—when the measures were much more dramatic in effect—only two of the eight limitation/cut measures secured passage.

The "secret" of the tax revolt is simple: it offers hope to hardworking, dedicated, taxpaying citizens that they will be able to keep more of the money they earn.

After 1980, the tax "numbers" become harder to trace because the models changed substantially. Moderate spending limitation measures prevailed in 1982 and 1984, while all four Propostion 13-style initiatives failed. Income tax indexing efforts prevailed in three states in 1980 to 1982, while elimination of the inheritance tax carried in two states in 1981 and 1982. Efforts to combine tax rollbacks with provisions mandating legislative "super majorities" for future tax hikes lost in 1983 (Ohio) and 1984 (Michigan and Nevada).

The frustrating reality for tax movement supporters, of course, is that they have repeatedly been able to force the battle, but have not recently emerged with a big victory. Another potential threat to the future of the tax revolt is the increasing tendency of state courts to strip duly qualified initiatives from ballots. In 1983-84 alone, eight initiatives were stricken from state ballots. Most of these were conservative proposals, including the Florida tax-cut initiative and the pro-balanced budget propositions in California and Montana.

Worse, state and local taxes began surging in the 1983-84 and 1984-85 budget cycles in many states, perhaps manifesting a misreading by legislators of the results of the most significant tax reduction propositions of 1983 and 1984, according to James Ring Adams, author of *Secrets of the Tax Revolt.* If this trend continues, it may spark a resurgence of the militant anti-tax spirit of the 1970s.

The "secret" of the tax revolt is simple: it offers hope to hardworking, dedicated, taxpaying citizens that they will be able to keep more of the money they earn. Too often, political pundits dismiss mass political movements when they lose some of their initial saliency or when organizations merely hold their own rather than continuing to expand in impact and influence. This has been the case with the tax reduction movement. But so long as the cost of government exceeds the value that voters see in government services, the tax revolt will be here to stay.

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BOOK REVIEWS

God And Mammon

The Creation of Wealth: A Christian's Case for Capitalism *by Brian Griffiths (Downers Grove, Illinois: Intervarsity Press, $5.95).*

The Good News of the Kingdom Coming: The Marriage of Evangelism and Social Responsibility, *by Andrew Kirk (Downers Grove, Illinois: Intervaristy Press, $5.95).*

Is Capitalism Christian? Toward a Christian Perspective on Economics, *Edited by Franky Schaeffer (Westchester, Illinois: Crossway Books, $9.95).*

Reviewed by Doug Bandow

It is now taken for granted that capitalism is a more efficient economic system than egalitarianism or socialism. But is it a more virtuous system? It is here the critics of market economics have focused their recent attacks. Naturally Christian theologians and Catholic bishops have been recruited as combatants, and the debate can get theologically esoteric. Nevertheless, it remains of interest to anyone with interest in policy, because policy necessarily has moral implications, and biblical teaching is valued for its moral insights by Christians and non-Christians alike. In recent months, a number of books have emerged equating Christian principles with either the free market or socialism.

Andrew Kirk, associate director of the London Institute for Contemporary Christianity, believes that traditional Western evangelicals are "perpetrating an unbiblical divorce between spiritual salvation and liberation from evil structures and systems in the world." The transcendental message of Christ's saving grace is, in Kirk's view, inextricably tied to Karl Marx's economic program for worldly redemption: put bluntly, to be a Christian is also to be a socialist.

Kirk contends that "throughout the Old Testament, there are indications that the private accumulation of wealth was considered contrary to the terms of God's covenant with his people." But Kirk misconstrues the Scriptures, treating, for instance, condemnation of unjust enrichment as a stricture against making money. Moreover, the Promised Land of Israel was apportioned among individual families, not held or owned by the state to promote the general welfare. And Mosiac law, particularly the Eighth Commandment—"Thou shall not steal"—protected private property ownership.

Brian Griffiths, international economist and dean of the City University Business School in London, seeks to prove the opposite of Kirk's thesis, that the very nature of man—and his God-given stewardship over the earth—necessarily entails the production of wealth. "At heart the process of wealth creation stems from a fundamental human drive, the result of being created in the image of God."

For this reason, God explicitly promises to reward fecund economic management: "the plans of the diligent lead to profit" (Proverbs 21:5); and the barns for those who "honor the Lord" with their wealth "will be filling to overflowing" (Proverbs 3:9-10). Christ builds on this theme with his parables of the servants who multiplied their master's assets and were rewarded accordingly (Luke 19:11-26; Matthew 25:14-30).

Kirk also relies on the New Testament to argue that believers should possess little more than the daily necessities of life. But as Griffiths observes: "The ownership of goods, houses, and clothes is not a sin. Jesus had friends who owned such things and he stayed in their homes and went in their boats. In the various parables which dealt with profit and investment . . . there is never a suggestion that work, business, banking, or investment were of themselves wrong." Saint Paul writes that "the love of money is the root of all kinds of evil" (1 Timothy 6:10), not that money itself is bad.

First Principles

In permitting the accumulation of wealth, Christian ethics establishes special responsibilities regarding its use. The primary principle—and the real lesson of the incident of the rich young man whom Jesus tells to "sell everything" he has (Mark 10:21), a passage Kirk relies on—is that loyalty to God must come before all else.

Believers are also to give freely to the needy. However, in contrast to Kirk's coercive government program to reduce income inequality, the Bible emphasizes voluntary individual action to alleviate suffering. There is no God-given right to a minimum salary of the sort Kirk proposes nor any biblical basis for treating wage differentials as immoral.

Indeed, God rewards people as He wishes, instead of "fairly" by hu-

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man standards. Christ tells one parable where the landowner justified his decision to pay workers the same no matter how long they worked, stating that "Friend, I am not being unfair to you . . . Don't I have the right to do what I want with my own money?" (Matthew 20:12-15).

used through history to trample on human freedom and dignity. Experience shows that the clergy too can be brutal and rapacious when it gains political power. Christians are better off trying to stop the government engine of injustice, rather than trying to become the newest engineers.

The transcendental message of Christ's saving grace is, in Andrew Kirk's view, inextricably tied to Karl Marx's economic program. Put bluntly, to be a Christian is also to be a socialist.

Kirk no doubt is disappointed that Christ did not stage a political or economic revolution. "My kingdom is not of this world," Jesus told Pilate during his trial (John 18:36). Kirk tries to explain away the clear meaning of these words, but to no avail. Jesus's entire ministry was a spiritual one: "Despite poverty around him and the oppression and injustice of the colonial situation in which he found himself, he rejects a secular interpretation of salvation," as Griffiths says of Christ.

The spiritual nature of God's kingdom is emphasized throughout the New Testament. "Our citizenship is in heaven," writes Paul (Philippians 3:18-20). Indeed the "struggle is not against flesh and blood, but against . . . the spiritual forces of evil in the heavenly realms" (Ephesians 6:11-12). The virtues cited in the beatitudes as worthy of divine reward are all spiritual—coercive redistribution of property is not among them.

The fact that Jesus never appealed to the secular authorities to help implement his kingdom should be no surprise, in light of the nature of government. For how does the state represent the values inherent to the kingdom of God? Governments do not love or forgive; public institutions are rarely humble or gentle. The state is a coercive institution whose power has frequently been

In any case, the sort of values exhibited by Christ—forgiveness, generosity, gentleness, compassion, humility, kindness, love—cannot be enforced by government. Jesus expected believers to exhibit these traits daily, not impose them on others; he commanded his followers to give to the poor, not to force their neighbors to give. Compulsory compassion is an oxymoron.

In short, "because the Kingdom of God depends for its very existence on an inward supernatural power, it is impossible to translate it into contemporary social, political, and economic institutions" writes Griffiths. "It was established by God, and its extension depended on the Holy Spirit."

Though Christian Scriptures provide no specific economic policy agenda, not all social systems are equally consistent with Christian values. It is in discussing this relationship that Kirk is weakest. For someone living in a free society, he has a remarkably caricatured view of capitalism and a naive opinion of socialism. Neither system "has begun to achieve what it has promised," writes Kirk, but at least "Marxism has exalted collective freedom—the freedom to enjoy a basically dignified life." Apparently Kirk is unaware of the low standard of living, lack of basic freedoms, and poor health care in the Marxist world; his approving reference to "African socialism," pioneered by Julius Nyerere of Tanzania, ignores the economic disaster which has overtaken that continent. And Kirk must be oblivious to the gulf that separates working and ruling classes in socialist nations, where political position determines economic status.

Brian Griffiths and Franky Schaeffer, unlike Kirk, disclaim any particular scriptural basis for their economic preferences. Schaeffer, for instance, simply argues that capitalism has proved to be the best economic system in terms of "preserving Christian and humane values." He proves his point by demonstrating both how market-oriented economies have delivered the greatest degree of material prosperity to all their people and how government has so often stood in the way of economic progress, especially in the Third World.

But an even more fundamental virtue of capitalism is its preservation of individual liberty. Kirk complains that capitalism "increases the freedom of some, but always and inevitably at the expense of others." In other words, a free enterprise system presupposes enforcement of the Eighth Commandment prohibition against theft. The reality is that liberty—political, civil, and religious—does not flourish where there is no strong private economic sector. "The very existence of a market economy," writes Griffiths, "is in itself an enormous restriction on the power of the state over people's lives."

The lack of coercion is why capitalism is the best economic system for imperfect human beings. No one has forced an official ethos, lifestyle, or occupation on Kirk; he would not have the same freedom in a state-controlled economy. The free enterprise system not only reduces the power of one person over another, but also promotes cooperation, despite the selfishness that pervades every society, because voluntary exchange generally rewards competitors who best meet the needs of other people—by offering the finest products and services at the lowest prices.

In socialist countries, by contrast,

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the economy is driven by coercion and managed through politics. With state power supreme, greed emerges in pernicious forms. Individuals not only pillage what others have created, but feel justified in doing so. An oppressor class emerges, wielding power and privilege in the name of "the people," while the people themselves live in the hope that they can find favor with, or better still join, this ruling elite. This is precisely the sort of envy enjoined by the 10th Commandment, "Thou shalt not covet thy neighbor's goods."

This is why Schaeffer is justified in concluding that "capitalism is no better or worse than the citizens who employ it as a system of commerce." It neither advances existing human virtues nor corrects ingrained personal vices; it merely reflects them. But "socialism is always worse as a system than the collective sum of its people." By divorcing effort from reward, stirring up covetousness and envy, and destroying the freedom that is a necessary precondition for virtue, it tears at the fabric of goodness that people are to establish with each other, and with their God. ☗

The Soviet Connection

Hydra of Carnage: The International Linkages of Terrorism and Other Low-Intensity Operations. The Witnesses Speak. *Edited by Uri Ra'anan, Robert L. Pfaltzgraff, Jr., Richard H. Shultz, Ernst Halperin, Igor Lukes (Lexington, Massachusetts: Lexington Books/D.C. Heath and Company, $22.95).*

Reviewed by Juliana Geran Pilon

Hydra of Carnage is one of the best available sourcebooks on ideologically motivated violence. Its subtitle, *The International Linkages of Terrorism,* captures the central theme: the orchestration of low-intensity operations against the West by the Soviet Union. Eighteen different specialists offer their expertise on subjects ranging from the military doctrines of terrorists to the role of Cuba in drug trafficking to intelligence.

The Japanese Red Army, the neo-Nazi Hoffman terrorist group of West Germany, and even American terrorists have been welcomed to P.L.O. conferences and training camps.

Director of Central Intelligence William Casey defines the problem in the introductory article: "In providing terrorist movements with arms, training, and political support, the Soviet Union and its allies have thus discovered a highly 'cost effective' way of making the point that in today's world it is not safe to practice democracy." Casey cites examples:

- In the Middle East, Soviet and East European allies have provided terrorists with intelligence, weapons, funds, and training.
- The Soviets have allowed groups like the Palestine Liberation Organization (P.L.O.) to maintain offices in Eastern Europe, and have granted safe passages to operatives traveling in Western Europe and elsewhere to commit terrorist acts.
- Nicaragua, a Soviet client state, hosts 44 of Italy's most dangerous terrorists, and is a major recipient of aid from Libya.

The Soviet Union is also directly involved in "national liberation movements," the United Nations' official name for groups supported by Moscow and its allies, which seek power by violence and terror. Richard Shultz, a professor of international politics at the Fletcher School of Law and Diplomacy, explains how the U.N., the Socialist International, and other international organizations have legitimated such guerrilla groups as the P.L.O., the African National Congress, and the Southwest African People's Organization. The P.L.O. and SWAPO have obtained "permanent observer" status at the U.N. and use U.N. conferences for propaganda purposes, as do the Soviets. Soviet front organizations such as the World Peace Council and the Afro-Asian People's Solidarity Organization also help to further the goals of the Communists.

The P.L.O. plays a particularly important role in international terrorism. A terrorist organization itself, it also acts as a "surrogate for Soviet military and political support for other terrorist groups," according to Herbert Romerstein of the U.S. Information Agency. The Japanese Red Army, which describes itself as "a volunteer army dependent on the Palestinian revolution," the neo-Nazi Hoffman terrorist group from West Germany, and even American terrorists have been welcomed to P.L.O. conferences and training camps. Judy Clark, an American convicted in the Brinks robbery case, attended a P.L.O. conference in Lebanon in September 1981, and wrote in a report to the May 19th Communist Organization that the P.L.O. "must overcome all the forces of imperialism."

Cocaine Connection

Terrorism is frequently financed through crime, particularly the drug trade, writes Charles C. Frost, a former official at the Drug Enforcement Administration. Insurgent organizations such as the Revolutionary Armed Forces of Colombia are actively involved in narcotics production and sales. In March 1985, in a filmed interview on Bo-

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gota television, Colombian trafficker Carlos Lehder Rivas claimed that "cocaine and marijuana have become an arm of the struggle against American imperialism." He called the murder of Justice Minister Lara Bonilla an "execution by the people."

There have been 19 terrorist bombings in New York and Washington alone since 1982.

The increased sophistication in the use of drug-related political violence threatens American businesses in Central and South America. On February 9, 1985, for example, bombs exploded at one-hour intervals outside the offices of IBM, Union Carbide, and Xerox in Colombia. Frost suggests that as governments in this hemisphere help the United States to crack down on the drug trade, U.S. businesses abroad will become obvious targets of retaliation.

In Western Europe, terrorism is more tightly coordinated and more dependent on the Soviet Union. Claire Sterling, Paul Henze, and Michael Ledeen document the closely knit network of terrorist activities. Ledeen cites the 1974 discovery by Belgian security officials of a K.G.B.-run "autonomous central" for European terrorism operating in Vienna. The central carried out liaison operations with terrorists in Belgium, England, Holland, and Italy, particularly through the Italian Red Brigades. Within hours of its discovery, the center was moved to Libya. Another K.G.B. coordinating center for European-based terrorism is the Hyperion Institute in Paris. Italian terrorists who had undergone training in Czechoslovakia had connections with the Hyperion Institute.

Firsthand information about the training of foreign terrorists in Czechoslovakia is presented through an interview with recent defector Jan Sejna, a Czech general who claims to have been directly involved in their training. The recruits, he says, are "either direct members of the [Communist] party or they are sympathizers." Smuggled into Czechoslovakia through Vietnam, Stockholm, or Vienna, they go to Doupov if they are to be trained for terrorist operations, or to a military intelligence brigade in Prostejov. Some are sent directly to the Soviet Union. After training for three to six months in Marxism-Leninism, sabotage, explosives, and leadership, they return home to organize their own terrorist networks.

Technical innovation is another disturbing feature of Western European terrorism. In a fascinating study, Neil Livingstone discusses how terrorists have increased their capacity for destruction and what tactics future terrorists might adopt.

- In November 1980, French and German authorities raided a Paris apartment rented to terrorists involved with the Germany Red Army and discovered a miniature lab designed to produce a spore-forming bacterium that secretes botulinal toxin. This toxin is so deadly that properly distributed, only eight ounces could kill every human on earth.
- Czech training camps routinely give their recruits instruction in chemical warfare.
- At least a dozen terrorist and insurgent groups possess Soviet-built SA-7 anti-aircraft guided missiles.
- All terrorist groups have increased their firepower in recent years, thanks to weapons improvements.

Livingstone notes that the terrorists of the future "may more likely be armed with an Apple II home computer than a Polish-made WZ63 machine pistol." The openness and freedom of Western societies, and our reliance on interdependent communications, transportation, and energy links, make us extremely vulnerable to this kind of threat.

Eyewitness Evidence

The second half of *Hydra of Carnage* is subtitled, *The Witnesses Speak*. In over 100 maps, letters, reports, and personal testimonies of current and former officials from the Soviet Union, Eastern Europe, Central America, and the Middle East, these primary sources document the international linkages of terrorism. The largest documentary section is "Surrogate Actors in the Middle East." Among the selections are:

- Four documents giving evidence of East European Communist support for the P.L.O. These captured certificates and letters deal with P.L.O. training courses organized by the Soviet Union, Hungary, and East Germany.
- A letter of gratitude issued by the P.L.O. permanent mission in Havana to the Cuban government, which discloses the linkages between the P.L.O., the Organization of African Unity, Nicaragua, and Iran.
- Excerpts from an interview in a Kuwaiti paper, *Al Watan*, of August 1979, affirming a continuing relationship between the P.L.O. and the Sandinistas, and recalling past cooperation in the hijacking of four aircraft in 1970.

The documentary section dealing with Central America is extremely valuable, though brief. Miguel Bolanos Hunter, a former high-ranking counterintelligence officer for the Sandinistas, discusses the training received by the Sandinistas in Cuba, where they were taught by K.G.B. and East German advisers. The P.L.O., says Bolanos, have had links with the Sandinistas since the 1960s: Vice Minister for the Interior Rene Villas was trained by them, and after the Sandinistas took power, the P.L.O. assisted in special activities such as kidnappings and murder. Libyan advisers also helped in these operations.

Bolanos' accounts are confirmed and complemented by Eden Pastora Gomez, a former Sandinista official who currently leads the guerrilla group ARDE against the Sandinistas

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from Costa Rica. East German advisers assist the security police on how to use psychology, fear, and interrogation tactics, says Pastora. The P.L.O. is involved with Nicaragua's Air Force, and "Cuban advisers are found at all levels of the Nicaraguan Army."

In addition to military support for insurgency groups in Central America, the Soviet Union and its satellites have set up propaganda fronts, notably the Mexican-based World Front for Solidarity with the Salvadoran People. One document explains that this organization, founded in March 1982, is supposed to "coordinate worldwide activity to support the Salvadoran Revolution." Among the members of its permanent bureau was the late Sandy Pollack, a member of the Central Committee of the U.S. Communist Party and a moving force behind CISPES, the Committee in Solidarity with the People of El Salvador.

The last documentary chapter deals with "the threat within," terrorism in the United States. There have been 19 terrorist bombings in the New York and Washington areas alone since 1982, including attacks by the Armed Resistance Unit (A.R.U.) and the United Freedom Front on the F.B.I. headquarters in New York and the U.S. Attorney's offices in Brooklyn and Manhattan. Central America is currently the main focus for these groups. When the A.R.U. bombed the Capitol in November 1983 after the U.S. mission to Grenada, it declared in its communique that "the U.S. ruling class are war criminals, and they will be held accountable for their crimes." The editor of this section, Paul Joyal, an expert on North American terrorism, warns that if the U.S. military ever intervened in Central America, the level of terrorist violence might escalate.

The Present Danger

A special section of *Hydra of Carnage* deals with response options available to government, the media, and the international community. The suggestions—better counterintelligence, increased security barriers, international cooperation, retaliatory measures, preemptive strikes on terrorist installations, and support of anti-Soviet guerrilla groups—are sound, but implementation will require a fundamental rethinking of the nature of the terrorist threat to the West. For any of these options to work, the first step is a deep appreciation by the general public of the immense magnitude of the danger. This book vividly illustrates that danger, exposing the many, connected heads of the hydra of carnage.

Leftwatch

Destroying Democracy *by James T. Bennett and Thomas DiLorenzo (Washington, D.C.: Cato Institute, $11.95).*

Reviewed by Robert Rector

In 1984, grantees of the Legal Services Corporation (L.S.C.) were busy shredding documents. These documents recorded an ingenious "survival plan" carried out by L.S.C. employees in the preceding three years. Elements of this plan included use of taxpayer funding to organize a massive lobbying campaign to save the agency from budget cuts and to attack Reagan spending priorities. Employees of the L.S.C. also orchestrated a nationwide campaign to prevent Reagan nominees from taking office on the L.S.C. board, and—as the centerpiece of the entire survival scheme—diverted millions of dollars in tax funds to create an "alternative headquarters" which would continue to run the L.S.C. outside the control of the Reagan Administration during the 1980s. This incident illustrates the audacity of the tax-funded left in the United States—a political movement which is not only disdainful of democratic processes, but in the long run, threatens electoral accountability for the use of taxpayer funds.

Destroying Democracy, by James T. Bennett and Thomas DiLorenzo, investigates the diversion of tax funds on a massive scale to support political advocacy, including ideological propaganda, lobbying, electoral campaigning, and grass roots organizing. The authors begin their investigation with the words of Thomas Jefferson: "To compel a man to furnish contribution of money for the propagation of opinions which he disbelieves is sinful and tyrannical." If Jefferson was correct, there is much that is sinful and tyrannical in the United States today. Nearly all of this kind of tyranny has been perpetrated by liberals and the radical left.

The most common mechanism underlying tax-funded politics is the "grant process." For example, the solar energy bureaucracy in Washington will give grants to political groups who lobby the public and Congress in favor of solar energy. This results in higher funding for the solar energy bureaucracy, and in turn more grants to outside groups to lobby for new increases in funding. In some cases, money is given to partisan organizations for purposes other than simple advocacy; however, once federal funds enter the coffers of ideological organizations, it is virtually impossible to control what they are used for. Millions of dollars given to Jesse Jackson's PUSH/Excel (a program to encourage black youth to get off drugs and stay in school) were quietly funneled into other PUSH activities. Since grants are used to support staff salaries in the recipient organizations, and since there is little accountability over the "product" funded, grants become, in reality, little more than direct subsidies to the organizations involved.

Plans for Economic Disaster

Much of the activity recorded in *Destroying Democracy* represents the coming of age of the anti-Vietnam War radicals of the 1960s. Never great admirers of the etiquette of bourgeois democracy, members of this group have few qualms about

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bilking the taxpayers for funds to foster social revolution and pocketing a cozy $70,000 in salary in the process. Among the hundreds of tax-funded organizations listed in the book are many familiar left-wing stalwarts: Tom Hayden and Jane Fonda's Campaign for Economic Democracy; the Gray Panthers; the Sierra Club; the National Organization for Women; and the Urban Institute. Beyond these is a forest of acronyms: FRAC (Food Research Action Center); ACORN (Association of Communities Organized for Reform Now); PEER (Project on Equal Education Rights); and CLEC (Consumer Labor Energy Coalition), founded by socialist Michael Harrington. Affiliates of the last organization received over $270 million from the government in the late 1970s and early 1980s.

One of the most interesting aspects of this book is its demonstration of an interlocking network of tax-funded, left-wing organizations comprised of think tanks, training centers for political activists, grass roots lobbying organizations, and labor unions. This network supports disparate causes—consumer protection, labor issues, problems of the elderly, the environment, poverty, energy, civil rights, women's issues, housing, and peace. However, the various components of the network actively support each other. When one segment of the network lobbies on a given issue, it can count on the support of dozens of other organizations, even if they are not directly concerned with that issue. Thus, a single radical coalition moves through a variety of guises, appearing one week as an environment movement, the next as a movement for the elderly, and then as a "women's" movement. By means of this trick of mirrors, the left appears larger and more influential than it really is.

Political cooperation is possible because these organizations share a single political perspective. For most of the tax-funded left, the ultimate goal is simply socialism: to free America, in Tom Hayden's words, of "the stench . . . called corporate capitalism." In the interim, they will settle for more modest accomplishments such as wage and price controls, state-owned banks, public holding companies directing major industries, and a redistribution of income both domestically and internationally. Still, the ultimate aim is to eliminate the market and to "politicize production." This vision of replacing the market with the nostrum of "a democratically planned economy," guided by wrangling congressional committees and labor unions, seems almost satirically conceived—a surefire recipe for reverting society to neolithic levels posthaste.

Legal Services Corporation members estimate that at least half of the L.S.C. money is devoted to various forms of political organizing and to class action suits to restructure society.

However, the fact that many of their proposals would be economically disastrous is of no concern to much of the tax-funded left, which believes that the United States is simply too rich to begin with. Ralph Nader seeks a more tranquil economy along the lines of the 19th century, and the Friends of the Earth declare, "The only really good technology is no technology at all." Environmentalist Barry Commoner pursues not only socialism, but a constitutional amendment to freeze research and innovation nationwide for two years.

The liberals are active on all fronts. At the Department of Education, the Women's Educational Equity Act Program funded a Marxist organization to produce grade school readers propounding the virtues of Communist Cuba; the same Marxist group produces classroom materials to cure third graders of "homophobia." *Destroying Democracy* is a tour through an exotic ideological garden; the blooms of this garden could never have flourished outside of the hothouse of tax subsidization.

Money for Nothing

Litigation is another fruitful avenue through which the radical left can worm its way into the taxpayer's pockets. There are currently over 100 laws which require the government to pay all of the legal costs for anyone who wishes to sue the government concerning the law's implementation. This principle provided around $140 million to left-wing attorneys in 1984. The champion in the process of subsidizing political litigation is the Legal Services Corporation, which allocates $400 million in tax funds to 300 legal aid groups each year.

The ostensible purpose of this funding is to provide routine legal services to poor persons who cannot otherwise afford them. However, L.S.C. board members estimate that at least half of the L.S.C. money is devoted to various forms of political organizing and to class action suits to restructure society. Among notable L.S.C. efforts, paid for by our tax dollars, are suits to: require state disability payments for homosexuals; force state governments to use tax funds to pay for sex change operations; establish the constitutional right to free public education for illegal aliens; prevent the use of literacy tests as prerequisites to high school graduation; require local school boards to integrate "Black English" in curricula; block research on labor-saving agricultural machinery; make school expulsion subject to racial quotas; and return two-thirds of the state of Maine to a tribe of Indians.

A startling fact brought to light in *Destroying Democracy* is the vast sum of money involved in these activities. The authors have made only a partial list of left-wing, tax-funded groups and they have dealt only with

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federal money. Still, annual taxpayer funding to left-wing groups and activities identified in the book exceeds total contributions expended in all Presidential, Senate, and House election campaigns in 1980. Bennett and DiLorenzo are unable to determine what percentage of the government money flowing to these groups is used for political advocacy, but the potential for sums of this magnitude to distort the democratic process is clear. It is ironic that while liberals have sought to limit the sums which private individuals could voluntarily contribute to election campaigns, they have—at the same time—been quietly extracting millions from the public involuntarily through taxation and surreptitiously injecting those funds into the public policy arena to support left-wing causes.

Unfortunately, due to the limits of the data available, the authors surveyed grantmaking only through 1982. Since then, the Reagan Administration has attempted to reform the grants process, placing tighter controls on the way in which grant money can be spent. It is unlikely, however, that much has changed. Most grant programs have survived; the L.S.C., for example, is currently receiving its highest funding ever. Under the Reagan Administration, left-wing grantees may have put on ties or shaved their legs, but the radical network still exists and is still well funded.

Bennett and DiLorenzo also devote some time to a discussion of tax-funded advocacy by the right, which they find is minuscule in comparison with funding of the left, but equally reprehensible on moral grounds. In principle, such a conclusion is correct; I am certain it would be accepted by most Reagan officials criticized in the book. However, two caveats should be added. First, in most of the cases of "funding of the right wing," the Reagan appointees in charge have sought to abolish their programs year by year since 1981. Congress has refused. Bennett and DiLorenzo do not fully acknowledge this crucial distinction.

Second, the authors advocate that conservative appointees encharged with disbursing grant monies which may be used in support of advocacy should simply refuse to spend the funds. Unfortunately, in the topsy-turvy world of Washington, there is no greater crime then "impoundment"—or the large-scale refusal to spend funds Congress has authorized—no matter how trivial or deplorable the intent of the spending. "Impoundment" would not result in revenue saved, but would almost certainly put the political appointees in jail.

Thus, conservative appointees are stuck with programs and money they have not asked for but must spend—and a liberal constituency outside the door clamoring for funding as usual. In these cases, some appointees have attempted to apply balance to their programs by assuring that at least part of the money goes to mainstream or conservative groups. Bestowing a few pennies on the right inevitably sends the *Washington Post* and other liberal oracles into paroxysmal terror for the future safety of the Republic. For example, the *Washington Post* has recently called for the abolition of the Office of Juvenile Justice, an office that the Reagan Administration had sought to eliminate throughout the first term.

This fact has led many Reagan appointees to conclude that the best way to defund advocacy-related grant programs is to assure that a portion of the money goes to the right. Thus, although all conservatives can agree with the desirability of ending tax-funded politics, they may disagree with Bennett and DiLorenzo over which tactics are most likely to bring about that end.

Destroying Democracy is a vivid depiction of the process of tax-funded politics and the ideology of the radical left. The authors acknowledge that they have touched only the tip of the iceberg. Their book sets the stage for future research on this issue: in particular, on the question of the full scope of government funding of political advocacy and partisan "social science research" and the long run impact of that funding on public opinion and policymaking. ☎

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Phyllis Schlafly, Secretary Of Defense

Women are not going to understand throwweights or what is happening in Afghanistan . . . your readers for the most part if you took a poll . . . would rather read the human interest stuff of what happened.

Donald Regan
White House Chief of Staff
Washington Post
November 17, 1985

Twenty years ago, when Donald Regan was working on Wall Street, turning his intelligence to stocks and investments, the first book about "Star Wars" was written—by a woman. In 1965, it was not called that, nor was it called the Strategic Defense Initiative (SDI). Phyllis Schlafly, who knew about throwweights, called the plan Nike X.

"It hardly rates the name of a weapon. It is no good at all for killing people. It could not kill a single Viet Cong guerrilla, Red Chinese, or Russian."

Strategic defense was first described in *Strike from Space,* (Pere Marguette Press, 1965), co-authored by Schlafly and Chester Ward, a rear admiral in the U.S. Navy. They wrote: "It is not even any good for destroying property. It is purely defensive. The only thing it can kill is an enemy missile—and only after such missiles have been launched at us through space at speeds up to 18,000 miles an hour."

The first Schlafly-Ward collaboration was *The Gravediggers,* published in 1964. They wrote five books together, over a period of 14 years, until Ward died in 1978. The term "gravediggers" described "the elite group of men, principally in the government, who are working for the unilateral disarmament of the United States despite the growing Soviet weapons threat." The gravediggers were identified by name, in that book and in later ones: they included Robert McNamara, Henry Kissinger, Harold Brown, and Cyrus Vance.

Schlafly and Ward wrote that without Nike X, Americans would die unnecessarily if the enemy launched a surprise attack. With it, the lives of all Americans might be saved—because no enemy would launch an attack against us if we could defend our people and our weapons.

They described Nike X as "not a weapon of war; it is truly a weapon against war. It offers the greatest hope to Americans and free people everywhere."

Schlafly told Carol Felsenthal, who wrote her biography, *The Sweetheart of the Silent Majority* that when *Strike from Space* was published, the Pentagon could not have been less interested. The leaders of the conservative and anti-Communist movements were not influenced either. Cold Warriors in the 1960s believed that the Communist threat was internal, not external. The Nike X concept was too far out even for the John Birch Society. *American Opinion,* the journal of the Birch Society, gave *Strike from Space* a seven-page review, calling it a "shocking book" and deploring "its possible influence on the politically immature and emotionally suggestible."

The reviewer, Medford Evans, accused Schlafly and Ward of "propagating the myth of Soviet Might," assuring Birch members that "that monster in the sky is pretty hard to locate."

Schlafly told Felsenthal: "I spent many days after that answering letters from conservatives who had been convinced that Soviet ICBMs were a figment of my imagination. . . . However, I knew that our analyses were accurate and that events would, unfortunately, ultimately prove us right." The plans outlined by Schlafly and Ward formed the basis for a cogent Republican platform, at first accepted only by a tiny minority of Republicans. By the time of the 1976 Republican National Convention, this vision of American foreign and military policy was almost victorious.

I attended that convention in Kansas City, in July 1976, as the national president of the National Organization for Women (NOW), in order to support Ford delegates in strategizing, both in the platform committee and on the convention floor, on two feminist issues. NOW wanted to make sure that the Equal Rights Amendment and support for the right of women to choose abortion were not dropped from the Republican platform, as the Reagan forces wished.

But the real battle at that convention between Gerald Ford and Ronald Reagan was not over social issues, it was about foreign policy. The real battle was over Nike X. The Reagan forces, many of whom were dressed—cowboy style—in white boots and tall white hats, lost the political battle in 1976, but by only a small margin. They went home, and regrouped, and they won over the Republican Party in 1980.

Anyone who thinks that Ronald Reagan is merely a genial and lucky actor is unfamiliar with contemporary history and his record of political skill and determination. Phyllis Schlafly was instrumental in shaping the President's vision and foreign policy agenda.

Except for the sexism which has kept her from a place in President Reagan's cabinet, Schlafly would be the Secretary of Defense.

She wrote the book. She earned the right to throw her weight around. ☎

KAREN DECROW, *a lawyer in upstate New York, was president of the National Organization for Women from 1974-1977.*

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LETTERS

Harry Jaffa, Anthony Podesta, Stephen Carter, Karen DeCrow, Jean Bethke Elshtain, Connaught Marshner, Kenneth Bialkin, David Trachtenberg, Thomas Walton, James George Jatras, William Hawkins, Randall Shelden, and others.

Good Intentions

Dear Sir:

Attorney General Edwin Meese, defends a constitutional jurisprudence of "original intent" ("The Battle For The Constitution: The Attorney General Replies to his Critics," Winter 1986). It is one that, he says, seeks fidelity to the Constitution, and not one that seeks political results from the decisions of the Supreme Court. The judges, he says, should uphold the law, and not seek to enact their own personal or political preferences. As the leading exhibit of the horror that results from a departure from these principles, Mr. Meese offers us the following:

> In the 1850s, the Supreme Court under Chief Justice Roger B. Taney read blacks out of the Constitution in order to invalidate Congress's attempt to limit the spread of slavery. The *Dred Scott* decision, famously described as a judicial 'self-inflicted wound,' helped bring on the Civil War. There is a lesson in such history. There is danger in seeing the Constitution as an empty vessel into which each generation may pour its passion and prejudice.

Unfortunately for Mr. Meese's argument, no one, on or off the Court, has ever expounded the theory of original intent with more eloquence or conviction than Chief Justice Taney. In considering whether blacks might have standing to sue in U.S. courts, or whether slave property might be afforded less protection than any other kind of property, the Chief Justice wrote:

> No one, we presume, supposes that any change in public opinion or feeling, in relation to this unfortunate race, in the civilized nations of Europe or in this country, should induce the Court to give to the words of the Constitution a more liberal construction in their favor than they were intended to bear when the instrument was framed and adopted. Such an argument would be altogether inadmissible in any tribunal called on to interpret it. If any of its provisions are deemed unjust, there is a mode prescribed in the instrument itself by which it may be amended; but while it remains unaltered, it must be constructed now as it was understood at the time of its adoption . . . Any other rule of construction would abrogate the judicial character of this court, and make it the mere reflex of the popular opinion or passion of the day. This court was not created by the Constitution for such purposes.

Never has a judge, in giving judgment, been more clearly committed in his own mind to repudiating the "passion and prejudice" of his own generation than Chief Justice Taney in *Dred Scott.*

Taney decided that Dred Scott, as a member of an inferior and degraded race (by the law of the Constitution) was not, and could not become a citizen of the United States. But he also decided that under the Constitution, there was no ground upon which Congress could discriminate between slave property and other forms of property. Here is the Chief Justice, speaking again.

> It seems, however, to be supposed, that there is a difference between property in a slave and other property . . . But if the Constitution recognizes the right of property in a slave, it makes no distinction between that description of property and other property owned by a citizen. No tribunal acting under the authority of the United States . . . has a right to draw such a distinction . . . no word can be found in the Constitution which gives Congress a greater power over

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slave property, or which entitles property of that kind to less protection than property of any other description.

The Chief Justice was then very far, in his own mind, from reading "blacks out of the Constitution in order to invalidate Congress's attempt to limit the spread of slavery." On the contrary, it was the attempt of others to read them in to which he objected. Opinion, he said, had become more "liberal" in the intervening years. But he denied that such "liberal" opinion ought to govern him as a judge, so long as the words of the Constitution remained unamended. And looking at the Constitution, what he saw was that the slave was "an ordinary article of merchandise." Because of this, the only constitutional power of Congress over slavery in the Territories was "the power, coupled with the duty, of guarding and protecting the owner in his rights."

Whatever is wrong with this opinion, it is not because the Chief Justice did not hold to a doctrine of original intent. It was not because he thought for a moment that the Constitution was "an empty vessel into which [his own] generation [might] pour passion and prejudice." What he thought was exactly the opposite. The Attorney General has a long way to go to make the doctrine of original intent intellectually defensible.

Harry V. Jaffa
Research Professor of Political Philosophy
Claremont McKenna College
Claremont Graduate School
Claremont, CA

Dear Sir:

The U.S. Constitution outlines our system of government—the rights of individuals, the responsibilities of government, and the relationships between them. It was never intended, nor should we allow it to be used, to achieve partisan ends. But this is exactly what Attorney General Edwin Meese attempts to accomplish. His jurisprudence of original intention is not simply a theory of constitutional interpretation. It is the strategic plan this administration is using to impose its social and political will on the American people. Cloaking himself in the robes of history, Mr. Meese has crafted an argument that to the unsophisticated sounds laudable and plausible. But its history is flawed; its logic filled with holes. Further, its intent is tainted and its potential dangerous.

We will never know exactly what was meant by that handful of men who lived, wrote, and politicked in the late 18th century. We must infer their intent from a sketchy and incomplete compilation of notes.

Anthony Podesta

Mr. Meese offers his interpretation of history as the one true meaning of the Constitution. He admits there was debate and revision, but fails to recognize that the result was a document of compromise. His interpretation assumes the "framers" were of a monolithic single mind. But there was no single intent; there were many. We will never know exactly what was meant by that handful of men who lived, wrote, and politicked in the late 18th century. There were no verbatim transcripts. We must infer their intent from a sketchy and incomplete compilation of notes—often clearly inaccurate—that were never designed to be used 200 years later as the Constitution's legislative history.

Most significantly, Mr. Meese contradicts himself. He bows to political expediency when he applauds a good decision such as *Brown v. Board of Education* (1954), even though it is not supported by the historical record which he claims for it and on which he insists all judicial interpretation should rest. But he criticizes the judicially "self-inflicted wound" of the *Dred Scott* decision which was arrived at after Chief Justice Taney extensively researched and applied a strict reading of the framers' intent, explicitly putting aside any "more liberal" current views.

Thus, clearly our inquiry and debate should focus not on the intent of the framers, but rather on the intent of Mr. Meese. It must be remembered that Mr. Meese is not an objective observer of the constitutional scene. As a confidant of the President and a political appointee, he has a political mission, a mission which surrenders eagerly the civil rights and civil liberties of individuals and minorities. Perhaps he promotes his jurisprudence of original intention because he believes it will be easier and more reliable for the administration to use this rhetoric of history than to rely on the political process to achieve its social and political agenda. If we let Mr. Meese get away with it, individual rights will be irreparably damaged.

According to Chief Justice John Marshall, "The Constitution was intended to endure for ages to come, and consequently to be adapted to the various crises of human affairs . . . It would have been an unwise attempt to provide, by immutable rule, for exigencies which, if foreseen at all, must have been seen dimly, and which can be best provided for as they occur." Each coordinate branch of government has its responsibilities to provide for these exigencies. And as they occur, it is incumbent upon the judiciary to preserve our individual rights. While there are ambiguities in the text and history of the Constitution's construction, the protection of individual rights is a fun-

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damental element of our constitutional design that is as clear as anything can ever be in human history.

Anthony T. Podesta
President
People for the American Way
Washington, D.C.

Dear Sir:

How can one reconcile the majoritarian premises of American democracy in the anti-majoritarian character of that uniquely American institution, judicial review? One way is to argue that the justices of the Supreme Court enforce not "their own" values but an entirely external law: the Constitution. Attorney General Meese indulges the understandable urge to support this contention by trying to show that the document has some discoverable meaning: the views of those who wrote and ratified it.

Would that matters were so simple! One problem is hermeneutical: a careful study of the history usually reveals that the more opaque the constitutional language, the broader the range of views among those who drafted it. But even assuming that an original consensus can be discovered, the resulting law may prove morally repugnant. The Attorney General's paean to *Brown v. Board of Education* provides an excellent illustration. As far as I am aware, every serious student of history has agreed that those who wrote the 14th Amendment expected their handiwork to leave segregated education untouched. The result in *Plessy v. Ferguson* may have been morally atrocious, but it accurately reflected the framers' original understanding on segregation. If the views of the framers are the most important guide in constitutional interpretation, then *Brown v. Board of Education* is simply bad law.

I like living in a country governed by a written Constitution. I agree with the Attorney General that probing the history can be of assistance in the difficult process of adjudication. But considering the alternative, I also prefer living in a country where a courageous group of unelected and politically unaccountable individuals was able to reject that history in favor of reliance on the far broader language and spirit of the equal protection clause, thus putting an end to segregation.

I suspect that the Attorney General shares my preference.

Stephen L. Carter
Professor of Law
Yale Law School
New Haven, CT

Dear Sir:

Attorney General Edwin Meese's views are a breath of fresh air. It is one of the few articulate statements by prominent government officials in recent times that the Constitution is not necessarily what the Supreme Court says it is.

One of the most amazing aspects of American history is the fact that the very nature of judicial review dramatically changed, without the majority of Americans ever knowing it. Despite occasional hostility to particular Court decisions, or even to the drift of a particular Court, power is exercised in a way that would astound—and appall—the founders of our government.

This happened because the change was very slow, and that the "myth of the Constitution" was preserved throughout. The Court claims today that it does only what it has always done, namely interpret and apply the Constitution. (This was the theme of unusual recent speeches by Justices William Brennan and John Paul Stevens, obliquely responding to the Attorney General.) But a closer look reveals that the meaning of "constitutional interpretation" has changed.

It once meant, as Mr. Meese notes, that there was a genuine effort to read the document carefully, attending to its language and structure, and with a view to the political principles—the intention—which informed it. According to *Marbury v. Madison*, review was called for when an act of government violated the clear command of the Constitution discovered through this careful interpretation. In the absence of a clear reading, the working out of the principles was to be left to the political branches.

Modern constitutional interpretation rests on treating constitutional provisions as vague general presumptions in favor of principles such as liberty, equality, dignity, freedom of speech and religion, the free flow of commerce, etc. Judges then use these presumptions to decide whether acts of the political branches measure up to these standards, as the judges understand them. Used in its incipient form at the turn of the century for "conservative" purposes (striking down economic regulation), it has been employed since 1937 for a wide variety of usually "liberal" purposes.

Since the early 1960s, I think it is fair to say, mainstream constitutional scholarship has rejected *Marbury v. Madison* as the basis for judicial review, precisely because Marshall tied judicial power "too closely" to the document itself, leaving insufficient room for judicial adaptations and "improvements" over time. Turning out new theories of judicial review has become a cottage industry in today's legal profession.

Meanwhile the Court goes its way. It vigorously pursued egalitarian goals under Earl Warren. But now the Burger Court is divided enough to have no clear vision and it seems to lurch from chipping away at Warren Court precedents in one area, to dramatically extending them in others, and often engages in what appears to some to be unprincipled ad hoc jurisprudence.

This is the condition of constitutional law facing the Attorney General, and he confronts it clearly. He is the little boy who points out that the emperor is wearing no clothes. Not surprisingly, the emperor's courtiers are dismayed—so Mr. Meese has met with shrill opposition. But what Mr. Meese is saying is simple republican good sense: Americans want to be ruled by laws, not men. One can only hope that the public debate he is stimulating will lead to a better understanding of contemporary judicial power, and a rediscovery of the founders' views as a desirable alternative.

Christopher Wolfe
Marquette University
Milwaukee, WI

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Feminists Fight Back

Dear Sir:

Congratulations on a well done elegy to militant feminism ("The New Feminist Revolt: This Time It's Against Feminism," Winter 1986). Though Dinesh D'Souza never said it, the conclusion came through loud and clear: traditional values do work, and honest, thinking feminists are beginning to see that. Weep for the full generation of maimed lives that are the fruit of their experimentation on the way to that conclusion.

I was disappointed that Mr. D'Souza omitted reference to the real background of Betty Friedan: she was a left-wing activist and cell member long before she ever thought of the potential waiting to be exploited in the feminine mystique. The socialist agenda underlying programs advocated in the name of "women" could have been referred to in the article. It helps to explain the divisions currently racking the ranks of feminism—some of the leaders, like Ms. Friedan, are talking about how necessary it is to change the basis of the economic society, while others are actually interested in women, a concern which manifests itself, for instance, in opposition to pornography. Ms. Friedan's camp disdains such interests as distractions.

Connaught Marshner
Chairman
National Pro-Family Coalition
Washington, D.C.

Dear Sir:

In 1974, shortly after I was elected national president of the National Organization for Women (NOW), *Harpers* ran a lead article about the death of the feminist movement, complete with the magazine's cover showing a woman in a black widow's veil. I spent literally the first year of my presidency, in hundreds of interviews, responding to that article and that dramatic cover. "We aren't dead," I would say. "We have just begun to emerge." What I concluded from that experience is that *Harpers* wished us dead, and hoped their article would help the process. It did not succeed.

Twelve years later, one must assume Dinesh D'Souza is hoping, again, to "kill us off." He writes, in a thoughtful article, that we are in "decay and despair." The author attempts to prove his point, in part, by showing that leading feminists are not saying exactly the same thing today as we were saying 20 years ago. He calls it "death"; I call it "thoughtful evolution."

What upper middle class white feminism did not recognize is that what constrains for some sustains for others.

Jean Bethke Elshtain

For example, he states that in 1963, Betty Friedan's *The Feminine Mystique* identified the family as an oppressive institution in which women's needs were systematically denied. Today Ms. Friedan is saying that feminist relationships with men should be based on mutual love and cooperation. Mr. D'Souza calls that recantation, I call it completely consistent. Ms. Friedan decried the fact that the institution of the family ignored the talents and desires of the wife and mother.

Society has accepted that message. We have a social revolution based on that message. Corporations have changed their policies and their expectations for the corporate wife. Fathers now expect to share in childraising. In upstate New York, a candidate withdraws from a congressional race, saying that his new baby takes more time than he had imagined. At the office of *Penthouse,* a baby shower is held—for an expectant father. A blue-collar worker tells me that his daughter who is employed in an eastern city is marrying a young man who works in the South. They are presently deciding whether he will move to her location, or she to his, or whether they will each relocate to a new place. He speaks without indicating that there is anything unusual about this arrangement. That kind of choice, however, is evidence of a social revolution, which feminists helped bring about.

In discussing teenage pregnancy, Mr. D'Souza states that the feminist of the 1960s "showed no animus whatsoever against teenage pregnancy," presumably to illustrate that we have changed. In fact, feminists have been urging, calling for, begging for, the availability of birth control information to teenagers since we organized. It is accurate to say that we have been the most consistent voice in the nation against the tragedy of babies having babies.

Policy Review should realize that debate, discussion, and disagreement among feminist thinkers means we are alive, not that we are dead. If the detractors could calm down, be less emotional, they would see a new, changed era in American life. Women still eat happily with men, even though we can afford to buy our own food. Men are being freed from their miserable role as wallet for the family, and are emerging to care for their children, to be friends to women, not dictators.

Karen DeCrow
Jamesville, NY

Dear Sir:

I read with interest Dinesh D'Souza's essay, "The New Feminist Revolt," but found the subtitle "This Time It's Against Feminism" somewhat misleading. The critics who identify themselves as feminists are against what might be called "establishment" or "mainstream" feminism. This form of feminism, embodied in NOW, construes the interests and aims of women drawn disproportionately from a particular social stratum as the aims and inter-

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ests of all women. They claim, that is, to represent women. But this claim has faltered and faltered badly. Tens of thousands of women have never seen themselves through the NOW frame and in light of its agenda and have, in many instances, been ill served by the policy outcomes of that agenda. (No-fault divorce being one prime example, as the article notes.) The feminist critics, then, are critical not because they want feminism to go away but because they want to transform its vision.

I am quoted in the article as calling the family the "main source of economic stability for poor black women." But my argument goes beyond the question of "economic stability," noting that family ties have historically been the primary locus of identity, authority, and meaning for many women, including working class, poor, black, Hispanic, and rural women. Two years ago, a national conference brought together leaders of all black organizations nationwide. The central cry was for reconstitution of the basic institutions of the black community, especially the black family. What upper middle class white feminism did not recognize is that what constrains for some sustains for others.

Finally, I want to clarify my comments on comparable worth. As noted, I think it is a troubling idea and one whose implementation would require a nightmare of bureaucratic manipulation of human lives unlike anything we have yet seen. Moreover, the idea implicitly degrades the tens of thousands of our fellow citizens who will never have market "worth"—including the disabled, the severely retarded, the infirm elderly, and so on. Rather than challenging the market, comparable worth absorbs its most morally dubious features and enshrines them as part of a planned managed economy. This will bring about no shiny new world of sexual equality. Instead it will deepen many of the most distressing features of the current order. The answer is not to allow the market free rein but to soften market imperatives and move towards a world in which all human beings have a dignity that cannot be measured by their market price.

Jean Bethke Elshtain
Professor of Political Science
University of Massachusetts
Amherst, MA

Senator Jesse Helms's arguments make sense from almost every point of view—historic, traditional, practical, and equitable.

Kenneth J. Bialkin

Guns, Not Butter

Dear Sir:

In following the story of Jonas Savimbi and then reading his own account of the struggle against Soviet colonialism ("The War Against Soviet Colonialism: The Stratgy and Tactics of Anti-Communist Resistance," Winter 1986), I cannot help but echo Professor MacIntyre's proposition. In his remarkable book, *After Virtue*, Mr. MacIntyre points out what is perhaps the most debilitating feature of modernism: the loss not only of the ability, but also of the will to make a moral decision.

Those of us living under absolute, almost Sardanapalusian, freedom find it difficult to believe anyone could want freedom as much as Savimbi. I suppose that is what Aristotle warned us about when he said that "where absolute freedom is allowed, there is nothing to restrain the evil which is inherent in every man." Perhaps this is why the United States is only talking about offering "moral support," an oxymoron if ever there was one.

What Mr. Savimbi needs is not bread sticks and beefcakes; he needs bullets and bombs. "Out of war, peace gains fresh stability," wrote Thucydides, "but to refuse to abandon repose for war is not so sure a method of avoiding danger."

Mark Y. Herring
Library Director
King College
Bristol, TN

Helms's Israel

Dear Sir:

Senator Jesse Helms's arguments make good sense from almost every point of view—historic, traditional, practical, and equitable ("Keeping Faith: A Baptist Deacon Reflects on American Policy Towards Israel," Winter 1986). He identifies the fundamental problem as the unwillingness of the Arab world to accept Israel's existence and legitimacy. Until that is done, it is difficult to see what there is to negotiate about. Senator Helms presents arguments that are not easy to fairly rebut. I believe *Policy Review*'s publication of his views is a public service which hopefully will advance the rationality of thinking about the region.

Kenneth J. Bialkin
Chairman
Conference of Presidents of Major American Jewish Organizations
New York, NY

Dear Sir:

Hats off to Senator Jesse Helms for his article.

I view my support for Israel, and a strong U.S. bond with Israel, from two different, but completely compatible perspectives. As a patriotic American, concerned with U.S. security interests abroad, I find myself in agreement with "pro-Israel" U.S. policy measures. As the flagship nation of democracy in the world, it is our duty to help other nations protect and preserve the democratic systems for which they have dearly paid.

In the Middle East, Israel is the only example of such a system, and for that, Israelis deserve the unwavering support of Americans. Furthermore, in such a troubled region,

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where the Soviet Union has exploited regional disputes to its own geopolitical advantage, a durable, democratic ally is truly a jewel which the United States should not take for granted. Israel has helped to counterbalance the Soviet spheres of influence in the Middle East, and its strategic value to the United States should not be underestimated.

As a Christian, I have another reason to maintain the same pro-Israel sentiments expressed in Senator Helms's article. In the Bible, God sets out the boundaries for Israel, which include Judea and Samaria, as well as Gaza and the Sinai. These boundaries are from antiquity, and I believe destined to be fulfilled once again. The Arab states have made the Palestinians the refugees that they are; in many cases disallowing citizenship, freedom of movement, etc. But world public opinion has been manipulated to such a degree that such facts are totally ignored, and Israel has been made the scapegoat.

I still marvel at the degree to which we made a sovereign state capitulate to the dangerous demands made on Israel in the Camp David agreements. As Senator Helms points out, Egypt was the big winner, their only concession being a bit of a loss of face in the already divided and quarreling Arab community. Meanwhile, Israel made many strategic concessions, not the least of which included the loss of the oil fields at Sharm el Sheikh.

Israeli security and U.S. foreign policy interests in the Middle East are so intertwined as to be nearly inseparable. To believe otherwise is a dangerous delusion which the United States cannot afford.

Carolyn Sundseth
Associate Director
Office of Public Liaison
The White House
Washington, D.C.

The Nuclear Debate

Dear Sir:

Patrick Garrity has done a fine job of tracking the evolution of U.S. strategic nuclear doctrine and presenting the case for modernizing U.S. nuclear forces ("Why We Need Nuclear Weapons: And Which Ones We Need," Winter 1986).

Let me emphasize the potentially critical contribution of strategic defenses to the security of the United States and its allies. Indeed, strategic defenses may prove the most effective means for denying the Soviet Union the military and political advantages it currently enjoys as a result of its force of heavy, multiple-warhead ICBMs.

It is clear from Mr. Garrity's exposition that the United States has consistently sought to reduce the risk of nuclear war—often through a combination of force modernization programs and arms control negotiations. Thus, we have espoused and practiced a policy of nuclear deterrence. The same holds true today; the United States seeks to deter nuclear and conventional aggression by the Soviet Union.

While this fundamental objective of deterrence has remained constant, the means through which it is to be achieved and the conditions under which it must be preserved have changed. In the wake of President Reagan's historic "Strategic Defense Initiative" (SDI) speech of March 1983, there are those who have lost sight of this basic fact.

Strategic defenses are a prudent response to the dynamics of the Soviet military threat—both offensive and defensive—and developments in relevant defensive technologies. Moreover, they are fully consistent with a policy of nuclear deterrence. The difference, of course, is that nuclear deterrence would be secured by a strategy of denying an adversary's objectives through defensive measures rather than by the threat of offensive retaliation.

As noted in Mr. Garrity's article, the United States has made a number of transitions in its nuclear force structure and strategy, from a heavy reliance on strategic bombers to a more balanced force involving land- and sea-based ballistic missiles, from massive retaliation to flexible response to assured destruction to countervailing strategies. Yet no transition has so shaken the pundits or liberal news media as the prospect of the United States developing and deploying defenses against nuclear ballistic missile attack. It seems that strategic defense directly challenges many of their most cherished shibboleths, including the sanctity of the ABM Treaty, the efficacy of offensive arms control agreements, and the doctrine of Mutual Assured Destruction (MAD).

The United States now has the opportunity to move in the direction of increased emphasis on defensive systems as part of its policy of nuclear deterrence. The move need not be complete nor 100 percent effective; but the direction must be defensive. In taking such a step, the United States can abandon the historical anomaly of MAD which foreswears defense as an integral element of national security policy and reinforce the foundation of nuclear deterrence currently threatened by U.S. unilateral constraint and a continued Soviet military buildup.

Joseph T. Mayer
Seabrook, MD

Dear Sir:

It is enough in a short article to do one thing well. Patrick Garrity accomplishes minor miracles in "Why We Need Nuclear Weapons." He paints a clear if sober picture of the growth of Soviet nuclear forces. And he takes but a few pages to outline cogently the rationale of the Reagan strategic modernization program. Mr. Garrity's greatest contribution, however, is an overdue sally against the entrepreneurs of "conventional forces."

Mr. Garrity argues briefly but well that we would find it difficult to build conventional forces to defeat the Warsaw Pact without resorting to nuclear weapons. Conventional forces are astronomically costly and the attainment of such a capability might erode the very alliances we profess as necessary to our security. One can only hope that Mr. Garrity next trains his sights on the notion of "conventional deterrence," one of the intellectual mainsprings of those who tout the benefits of a non-nuclear renaissance.

At a congressional hearing last year, Secretary of Defense Caspar Weinberger was lectured by one sen-

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ator that America must be able "to deter conventional [Soviet] attacks with a conventional capability." A tidy parallel prescription; but the senator left it to Secretary Weinberger to figure out just what conventional capabilities would deter the Soviets. The problem is: we just don't know.

The idea that conventional forces might deter Soviet adventurism against NATO has at its core an assumption that the Soviets think as we do. But can one really believe that the Kremlin gerontocracy would go to war in Western Europe, but only fight up to the point where nuclear weapons are about to be used? It is equally implausible that a European war begun "conventionally" by the Soviets would remain non-nuclear should NATO thwart the Red Army by "improved" conventional forces.

Patrick Garrity rightly says that there is a complex relationship between nuclear and conventional forces. We have paid insufficient attention to that relationship and we must now make amends for that neglect.

Robert Andrews
Arlington, VA

Dear Sir:

Patrick Garrity points out the importance to U.S. nuclear strategy of a survivable and credible ICBM force, and identifies two ways it can be restored: ballistic missile defense (BMD) and mobile missile deployments (Midgetmen). Unfortunately, the United States is not very enthusiastic about either.

As Mr. Garrity notes, a defense of U.S. ICBMs would be "the logical first step" toward a comprehensive BMD system. A near-term BMD deployment, however, is not planned and the current SDI program focuses on exotic technologies that are many years away from realization. Further, a timely, active defense of U.S. ICBMs—including Minuteman ICBMs—would contravene the ABM Treaty, something the Reagan Administration says it does not want to do, even as it protests that the Soviets have already done so.

Deployment of a sufficient number of small, mobile, Midgetmen ICBMs is being resisted for a host of political, economic, and arms control reasons, some of which Mr. Garrity notes. Such considerations, however real, should not be elevated above sound strategic judgment. Clearly, a larger force of smaller-value targets (single-warhead mobile ICBMs) is more stabilizing than a smaller force of larger-value targets (of which, the 10-warhead MX, in undefended fixed silos, is a textbook example).

Perhaps these domestic and arms control concerns explain the recent U.S. willingness to sacrifice Midgetman at the arms control altar in Geneva. The proposed U.S. ban on mobile ICBMs is an important development unnoted in Mr. Garrity's article. Such a proposal strikes at the heart of stability and gives the impression that the Midgetman ICBM is a weapon we don't need. Most tragically, in light of the lack of interest in a near-term BMD, the proposal would keep open the "window of vulnerability" for the indefinite future, forcing the United States to rely for credible deterrence on, at most, a dyad of strategic forces.

The perverse effect of arms control is largely to blame for this situation. One can argue that the ABM Treaty's prohibition on effective ballistic missile defense actually encouraged the Soviets to place U.S. ballistic missile forces at risk and prevented the United States from coping with this growing threat. Further, the United States has been unwilling or unable to offset this threat by deploying additional ICBMs (SALT prohibits the proliferation of aimpoints) or employing deceptive basic techniques (which impede verification).

Finally, Mr. Garrity observes that "the United States will continue to be at a considerable strategic and political disadvantage unless it is somehow able to rectify the vulnerability of its present and prospective ICBM force to Soviet attack." This dangerous disadvantage, however, cannot be overcome without a willingness to jettison arms control constraints that the Soviets are violating.

When it comes to nuclear weapons, the requirements of stable deterrence dictate "which ones we need." Unfortunately for us, however, we may never get them.

David J. Trachtenberg
Senior Defense Analyst
Committee on the Present Danger
Washington, D.C.

More Deregulation

Dear Sir:

B. Robert Okun presents a well-balanced factual discussion of the benefits of deregulation ("Let Markets Be Markets: How Deregulation Has Strengthened the American Economy," Winter 1986). As he points out, increased competition in the airline and surface freight transportation industries have benefited shippers and consumers and the elimination of oil price controls has been at least partly responsible for the demise of OPEC and the dramatic reduction in petroleum prices since decontrol in 1981.

However, Mr. Okun did not assess the impact of regulatory reform in the environmental, health, and safety areas. There the story is less dramatic, albeit positive. This deregulatory effort began under the Reagan Administration in 1981. Since that time, some of the most costly and least effective controls have been repealed. The administration now appears to exercise much tighter control over the promulgation of new regulations and the enforcement of existing regulations.

As a result, there has been a small but noticeable reduction in the penalties such regulations impose on the ability of the nation's manufacturers to compete internationally. It has been estimated, for example, that environmental, health, and safety regulations accounted for as much as 39 percent of the average productivity slowdown in the 1970s.

Under the Reagan Administration, and with the support of policy leaders such as Mr. Okun and his colleagues at the House Republican Research Committee, some of this regulatory drag has been eliminated without any diminution in the quality of the environment or the na-

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tion's health and safety. In fact, overall air quality has continued to improve. Since 1980, the bottom-line measure of occupational health and illnesses has declined by more than seven percent, after a 14 percent increase over the previous four years. The bottom-line measure of auto safety, the highway death rate, has fallen 23 percent since 1980, after rising five percent from 1976 to 1980.

Mr. Okun's article suggests the need for sunsetting the Interstate Commerce Commission on its 100th anniversary in 1987 and for terminating all remaining price controls on the natural gas industry. It also should set us to thinking about stepping up the effort to find more cost-effective substitutes for the command and control approach that still characterizes much of social regulation. I hope that 10 years from now he will be able to write a similar piece about the benefits from more rational environmental, health, and safety regulations.

Thomas F. Walton
Director
Economic Policy Analysis
General Motors
Detroit, MI

What McCarthyism?

Dear Sir:

Adam Wolfson was right on target when he criticized the campaign of character assassination waged by liberal Democrats in the Senate against the nomination of William Bradford Reynolds to be Associate Attorney General ("The New McCarthyism: William Bradford Reynolds and the Politics of Character Assassination," Winter 1986). Unfortunately, however, Mr. Wolfson was way off target when he accused the late Senator Joe McCarthy of having "perfected the politics of character assassination and guilt by association."

One expects to find this myth in the publications of the left. To see it in a usually reliable journal like *Policy Review* is disappointing, to say the least. Joe McCarthy was not perfect, but to say that he engaged in character assassination and that his alleged victims were "persecuted" for their views is false. I suggest that Mr. Wolfson will have a very difficult time coming up with the names of people whose characters were assassinated by Senator McCarthy.

Joe McCarthy has been denounced over the past 36 years not because he smeared innocent people, but because he exposed guilty people. That McCarthy was much closer to the truth than his critics has been amply documented in such books as William F. Buckley and L. Brent Bozell's *McCarthy and His Enemies,* James Burnham's *Web of Subversion,* and Roy Cohn's *McCarthy.*

Anyone who consults these books, or the actual hearings conducted by McCarthy or dealing with him, will find that the senator from Wisconsin performed a valuable service for his country by uncovering serious security problems in the State Department, the Government Printing Office, defense plants, and the secret radar laboratories of the Army Signal Corps at Fort Monmouth, New Jersey.

It should also be noted that the number of spies caught in the United States over the past two decades, and particularly in 1985, demonstrates that Joe McCarthy's concern about Communist subversion was certainly justified, and that the Communists did not cease their espionage activities in this country when McCarthy died in 1957. And what of the spies who have not been caught? Is it unreasonable to wonder if there are other Alger Hisses in the U.S. government?

Policy Review should acknowledge the Communist espionage threat to this nation that began in the 1930s and continues unabated to the present day.

James J. Drummey
Norwood, CA

Dear Sir:

In his discussion of the "New McCarthyism" purportedly indulged in by liberal senators these days, Adam Wolfson makes the curious statement that these new McCarthyite liberals' "main victims have been Reagan nominees, such as Edwin Meese, Kenneth Adelman, and Alex Kozinski."

Meese, Adelman, and Kozinski are, of course, respectively Attorney General, head of the Arms Control and Disarmament Agency, and judge of the U.S. Court of Appeals for the Ninth Circuit—occupying precisely the offices to which the President nominated them. To call these men "victims" of the Senate's confirmation process is simply absurd. They have instead been granted great power, after facing close questioning by an independent legislative body, just as the Constitution requires and as Americans should welcome. Indeed I should be saddened and frightened if the nominees of some future liberal President were to be rubber-stamped into office without exacting and sometimes harsh scrutiny by conservative senators.

Just as Mr. Wolfson says, "McCarthyism" is shorthand for "character assassination and guilt by association," a perversion of the Senate's proper role. "McCarthyism" wrecked careers and ruined lives. The Senate confirmation process sent Edwin Meese, Kenneth Adelman, and Alex Kozinski into high office. Even William Bradford Reynolds, the Assistant Attorney General in charge of the Justice Department's Civil Rights Division and Mr. Wolfson's chief "victim" of the "new McCarthyism," continues to wield great power.

Some of Mr. Wolfson's observations about Senate tactics are interesting, but his ridiculous inflations of rhetoric make his article as a whole simply irritating.

Richard F. Riley, Jr.
Washington, DC

Religious Victims

Dear Sir:

Professor Ewa Thompson's attack on Reverend Michael Bourdeaux for his excellent survey of religious persecution in the Soviet Union ("Secular Inhumanism: The Soviet Union's War against Christians, Muslims, and Jews," Fall 1985) should not go unanswered. In her

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distortion of the religious picture in the U.S.S.R., she not only unjustly defames Reverend Bourdeaux, a man of the highest scholarly standards and sterling personal qualities, for being concerned for all persecuted believers regardless of denomination, she also grossly and unfairly insults all Russians and all Orthodox Christians.

Professor Thompson largely bases her argument as to the "favored" position of Russian Orthodoxy in the U.S.S.R. on a mechanical comparison of numbers and population percentages of believers, underground publications, clergy, prisoners of conscience, and so on, with particular attention to the relative indices between Lithuanian Catholics and Russian Orthodox.

This is extremely misleading. The particular intensity of Catholicism in Lithuania is well known. That intensity is a tribute not only to the faith of the Lithuanians but reflects the organizational strength of Roman Catholicism and the fact that, unlike the Orthodox or the Protestants, the leaders of the Catholic Church are abroad and not subject to Soviet repression.

The comparative weakness of the institutional Protestant churches in Latvia and Estonia, for instance, serves to highlight the exceptional case of Lithuania. This is not to say that ordinary Protestant believers in Latvia or Estonia—or ordinary Orthodox in Russian or Georgia—do not believe as strongly as Lithuanian Catholics, only that they can generally expect less support from their own leaders and from co-religionists abroad.

More importantly, the differing levels of open religious participation among denominations and ethnic groups also reflects tactical changes in Soviet anti-religious policy. In the first years of the post-revolutionary period, when Soviet policy was one of open persecution of believers and extermination of clergy, the main target was the Orthodox Church. By the time of the Baltic annexations the Soviets had discovered the relative merits of the more protracted and insidious policy they pursue now.

The effects of this change are apparent even in Russia itself, where to this day a disproportionate number of functioning Orthodox churches are located in areas occupied by the Germans during World War II. Churches closed by the Communists were allowed to reopen—the Nazis had little interest in the religious peculiarities of people they regarded as subhuman. Today there are only 16 Orthodox monasteries in the whole U.S.S.R. (out of well over 1,000 before the revolution), and only two of these are in Russia proper.

In its early period, the Soviet regime virtually wiped out or forced into exile the entire Orthodox episcopate, a loss of leadership from which no religious community easily recovers under conditions of continued harassment and discrimination. The question here is: does the apparently lower level of Russian Orthodox religious activity and resistance denote favoritism, or is it evidence of even fiercer persecution in the not too distant past?

Soviet religious persecution is constant and directed at religion per se, not just at certain churches. Russian Orthodox, like other believers, are severely restricted in instructing their children in their faith, in opening or keeping open places of worship, and getting access to religious literature. Like other believers, their faith all but guarantees a life of religious apartheid with respect to employment, housing, education, and virtually all other social activity.

Also, contrary to the impression given by Professor Thompson, Orthodox believers are prominent for their resistance to the Soviets, both as believers and as patriots. Besides the obvious name of Aleksandr Solzhenitsyn, the Soviets are well aware of such Russian believers as Father Gleb Yakunin, Sergei Khodorvich, Dmitry Dudko, Leonid Borodin, Vladimir Osipov, Igor Ogurtsov, Igor Shafarevich, Father Aleksandr Pivovarov, Anatoly Levitin-Krasnov, Irna Ratushinskaya, and many, many others who carry on the struggle for God and their country against, literally, Godless Communism.

In their efforts to defend their faith and human dignity, religious believers have made great progress in learning to put aside historic animosities and to work together. Understandably, the Soviets do everything they can to exacerbate lingering religious and national suspicions, keeping their unfortunate subjects weak and divided. Professor Thompson's efforts serve only to obscure the true nature of the pitiless Soviet anti-religious policy and are a cruel betrayal of all those who suffer for their faith.

James George Jatras
Executive Board Member
Committee for the Defense of Persecuted Orthodox Christians
Alexandria, VA

Free Trade Follies

Dear Sir:

Pete du Pont demonstrates the narrow vision of the free traders and why they have lost their credibility ("Kamikaze Economics: Prosperity and Growth Are Imperilled by Protectionism," Fall 1985). Take his attempts to rewrite history to reflect one factor, determinism. The Smoot-Hawley Tariff caused the Great Depression *and* brought Hitler to power! Only one sentence each to explain two of the century's most momentous events. Smoot-Hawley, of course, was enacted in 1931 after the Depression started. Yet this reversal in causation pales next to his attempt to make a revision in U.S. rates on agricultural products and textiles the decisive event in the transformation of German politics.

Not content to misread one century, Mr. du Pont argues that because the framers of the Constitution wanted to eliminate barriers to trade between states, they felt the same about trade between nations. This is not the conclusion one gets from reading the *Federalist Papers* or Alexander Hamilton's *Report on Manufactures*. While Americans wanted access to foreign markets for exports and an efficient internal market, it was realized that domestic industrial development would require protectionist policies.

One cause of the American Revolution was the desire to follow an independent course outside England's imperial division of labor.

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From the "American System" of Webster and Clay to the McKinley (1890) and Ford-McCumber (1922) tariffs, American capitalism was built on "sound money, low taxes, and protection," the battlecry of the Republican Party in its era of pre-eminence. While du Pont supports the second tenet and (I assume) the first, he has forgotten the third. Free trade is a very new concept for American policy, adopted at the end of World War II when it was easy to be carried away by one-world idealism because U.S. industry was supreme.

Du Pont continually shouts "nine million new jobs" as if it were a magic incantation. Yet, unemployment hovers around seven percent, a rate usually associated with recessions. It is higher than during most of the troubled 1970s. Industry is operating at only 80 percent of capacity. A trade deficit means a lower gross national product and fewer jobs than if trade was balanced or showed an export surplus.

We could be doing better. Officials and executives from Tokyo to Brasilia to the Ruhr know the value of producing export surpluses even if du Pont does not. Those who produce, generate capital which they may invest here or elsewhere. Those who only consume, do not generate capital.

Americans are consumers whose savings rate has hit new lows as they spend more on imports. The trade deficit, like the budget deficit, reflects a ruinous improvidence.

America built the most advanced industrial economy in the world with minimal involvement in world trade. With one-quarter of the world's economy within its own borders, it holds an unmatched strategic advantage. However, as it becomes "interdependent" with the global market, this advantage will fade and the United States will become increasingly vulnerable to external shocks from events it cannot control.

The transportation and communication systems may exist for a global economy, but the political environment is moving towards more anarchy and conflict. Government policy must be geared for those infrequent but powerful disruptions of normal commerce which the future will bring. A global division of labor which shifts basic industries away from U.S. control poses a threat to the economic survival of the nation in a crisis. The statesman must think on a higher level than the merchant or the housewife.

A global division of labor which shifts basic industries away from U.S. control poses a threat to U.S. economic survival in a crisis. The statesman must think on a higher level than the merchant or the housewife.

William R. Hawkins

The 19th century economist Friedrich List rejected the idea that a nation's industry be allowed to collapse because of a change in world prices. He asked, "Who would be consoled at the loss of an arm by the knowledge that they would buy their shirts at 40 percent cheaper?"

International economics is political economics. Borders are political constructs and anything which crosses them must take this into account. This is why, historically, free trade has not proven viable in the long run.

The world is not a marketplace, it is an arena. Control over, ownership of, and access to economic resources (raw materials and industry) are crucial factors in the mobilization of a nation's power in behalf of its interests.

Nations will seek, as Robert Gilprin has written, "to enhance their own individual benefits and protect their particular security interests from the harmful effects of an open-world economy." That is, if their leaders are wise.

William R. Hawkins
Publications Director and Research Associate
The South Foundation
Knoxville, TN

Save the Children

Dear Sir:

In my 16 years in the Montana Senate, I have endured countless presentations on the subject of the juvenile justice system. Alfred Regnery's article ("Getting Away With Murder: Why the Juvenile Justice System Needs an Overhaul," Fall 1985) is one of the few that intelligently and forthrightly examines the subject and that delivers a much needed course of action.

I rarely write letters such as this but his comments were such a breath of fresh air they deserve recognition. I only wish all the social scientists who are daily wrecking the system could be exposed to the article. It is possible to transform it into a vaccine?

Stan Stephens
Minority Leader
Montana State Senate
Havre, MT

Dear Sir:

Social policies should be based not only upon accurate data, but also upon an accurate and realistic interpretation of the data. In his article, Alfred Regnery has resorted to a gross exaggeration of juvenile crime statistics, while writing in a style that seems to sensationalize rather than analyze the problem.

He begins by trying to alarm us in the very first sentence. He writes, "Children commit nearly one-third of serious crime in America." Even more alarmingly, he alerts us to the fact that: "The violence and inten-

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sity of these crimes is staggering. Of those arrests, 2,000 were for murder, 4,000 were for rape, and 34,000 were for aggravated assault."

I would like to provide a more realistic picture of the present problem of youth crime. To begin with, commentary presents what can be interpreted as a very dreary picture, as if we are being overrun with vicious, violent, and predatory young thugs. In actuality, the crime picture among those under 18 has been improving, according to F.B.I. figures.

We must never forget that even the most hardened juvenile delinquents were at one time mere toddlers. Somewhere, someone, or some institution has failed.

Randall Shelden

most of those under the age of 18 are arrested for quite trivial offenses that involve very little harm to the public. According to 1983 figures compiled by the F.B.I. in their annual report *Crime in the United States* (presumably the same source consulted by Mr. Regnery) there were 1,725,746 arrests for those under the age of 18; of this number, 70 percent were for "Part II Offenses," generally considered the least serious. Almost 500,000 were for such offenses as running away from home, curfew violations, liquor and drug law violations (mostly possession), drunkenness, and disorderly conduct—typical youthful misbehavior that is more of a nuisance than a danger to society.

As far as what Mr. Regnery calls "serious offenses," what he is actually referring to is what the F.B.I. calls "Index Crimes": murder, rape, robbery, aggravated assault, burglary, larceny-theft, motor-vehicle theft, and arson. In 1983, there were a total of 654,263 arrests for these offenses for those under 18. The largest category was "larceny-theft," with 377,435 (about 58 percent). Most of what falls under this category is shoplifting and other forms of petty theft. It is unfortunate that Mr. Regnery places this category alongside rape, robbery, and murder when he discusses "serious" crime.

More important than what the author says is what he does not say. His

For instance, between 1974 and 1983, arrests for those under 18 decreased by 23.3 percent, while arrests for those 18 and over increased by 27.9 percent. More specifically, arrests for violent crime by juveniles decreased.

Since the proportion of those under 18 has declined by only four or five percent, this downward trend has to be explained by citing other factors. Some believe that stronger punishments have caused this downward trend, but actually fewer delinquents are being sent to training schools today than 10 years ago and only a small percentage are being certified as adults (and most of those end up being placed on probation by the adult courts).

One factor that has to be considered is that the juvenile justice system may finally be working, especially in the efforts toward diversion and other alternatives to institutionalization. Programs such as Neighborhood Watch, improved security devices on automobiles, more counseling programs for troubled youth and other non-punitive approaches can be cited as possible reasons for the decline noted above.

The author's "profiles" of what he calls "typical delinquents" further exaggerates the reality of juvenile delinquency. The examples he cites are hardly typical, but rather are exaggerated versions of what are known as "chronic delinquents" who, as the author correctly points out, commit a disproportionate number of violent and predatory crimes. Ironically, the factors he cites in their backgrounds—poor education, poor family upbringing, few marketable skills, a slum environment, minority status—are the kinds of social factors cited repeatedly by experts for over 100 years as the major correlates of criminal behavior. These factors require social reform and rehabilitation, rather than punishment (as if punishment can "deter" poverty and poor grades!) Does the author believe that these "chronics" should be punished early in their careers? If anything, more rehabilitative services should be provided to these youths.

Mr. Regnery's solution to delinquency is what he calls the "deterrent approach, which views punishing the criminal as the best way to prevent future violations, protect the community, and achieve justice." The author recognizes that offenders do not always weigh the costs and benefits of crime, but there is, he says, a "calculus of risks and rewards in the criminal mind." The assumption that crime can be reduced to such a simple mathematical formula has never been proven. In any event, such an approach ignores the fact, established through research dating back at least 50 years, that the majority of juvenile offenses are committed in groups and are done with little, if any, planning.

Concentrating our efforts at the small number of "chronic" delinquents is certainly a worthwhile goal—Mr. Regnery recommends such efforts. At the same time, we must never forget that even the most hardened juvenile delinquents were at one time mere toddlers. Somewhere, someone, or some institution has failed. Putting them in prison today (or some other institution) will obviously prevent them from committing crimes during their period of incarceration. But after that? And what about those coming up through childhood today, who have not yet become "hardened?"

I am presently conducting research on juvenile court cases here in the Las Vegas area. In a sample of over 400 cases referred to the court

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in 1984, about 20 percent fit the category of "chronic" and of these, the majority of their crimes were not crimes at all, but were either victimless offenses (including running away and truancy) or abuse-neglect referrals. Of the really serious "chronics" (those with a high proportion of referrals for serious felonies), most began their careers with referrals to court on minor status offenses or for abuse-neglect and later began to engage in serious crimes. In other words, they "progressed" from victims to victimizers. Is it not possible that the original juvenile court philosophy—that of looking out for the best interest of the child—may be the best way to avoid such criminal progression? Mr. Regnery's get-tough solution may actually accelerate the process.

Finally, Mr. Regnery proposes such measures as restitution, greater use of volunteers, and the private sector. These are worthwhile endeavors and should be continued. At the same time, I believe the juvenile justice system and the private sector should increase efforts toward helping prevent child abuse and neglect, to improve educational and employment opportunities for youth (we should not forget that unemployment rates for out-of-school youths are higher than for any other group; especially high are the rates for minority youths), and to improve the overall quality of their lives.

Randall Shelden
Chairman
Department of Criminal Justice
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Las Vegas, Nevada

Alfred Regnery replies:

Mr. Shelden falls into the trap that is so prevalent with those who like to stick their head in the sands regarding juvenile crime; either don't look at the statistics or if you do, try to convince yourself that they are exaggerated.

He's right on one point. Most juveniles are arrested for less serious offenses that involve very little harm to the public. (Even better news is the fact that most juveniles aren't arrested at all.) But far too many are arrested for committing what the public believes are serious crimes. In 1984, for example, 26 percent of all robbery arrests, 39 percent of all burglary arrests, and 45 percent of all arson arrests were of juveniles. Does Mr. Shelden deny that these are extremely serious crimes?

It is certainly true, as Mr. Shelden points out, that more juveniles are arrested for larceny-theft than for robbery, burglary, or arson. What he doesn't tell us is that larceny-theft includes crimes such as purse snatching, thefts from motor vehicles, and other non-violent stealing of a magnitude sufficient to justify an arrest. The average value of property stolen by all offenders was $376 in 1984, not a paltry sum to most people.

Although, in the aggregate, such offenses may be less serious than many others, to the victims they are quite grave indeed. If Mr. Shelden's mother, for example, were to be pushed down by a juvenile and her purse ripped out of her hands, I suspect that he would agree with me on the nature of the problem.

Not long ago, the Police Executive Research Forum did a study of crime in the New York City subway system, and found that only one out of every 15 offenses was a felony. The rest were harassment, petty theft, and larceny—the sort of crime where four young men try to extract five dollars from a Bernard Goetz. Any New Yorker will tell you, despite the relatively few felonies committed there, that the New York City subway is one of the most feared places in New York.

As far as the social factors cited by Mr. Shelden, he fails to recognize that most people coming from those conditions do not turn out to be either juvenile delinquents or criminals, but hard-working, law-abiding citizens. Poverty and poor grades do not cause crime; it might be more accurate to say that crime causes poverty. In some cases, environmental factors may help us explain why a disproportionate number of offenders come from neighborhoods with such problems, but once we start using those as excuses, we will no longer have a system of justice.

As anathema as it to most liberals, some people need to go to prison, and need to know that if they do certain things, they will go to prison. It doesn't matter if those people are poor or rich, black or white, male or female, or adults or juveniles. ☎

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policy REVIEW

I find many screenwriters tend to be 1930-style liberals, far to the left of the population as a whole. Clearly, they don't reflect the political views of the majority of Americans, but they try to change the popular consensus.

Charlton Heston
"A Conservative in Hollywood"

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